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Introduction

Purpose

This paper contains details of the education funding grant formulas and other criteria for education funding for the 2004–05 school year. It is intended to provide an overview of the formulas that are used to calculate school boards' 2004–05 allocations for budgeting and financial reporting purposes.

The grant formulas outlined in this paper are based on the Grants for Student Needs – Legislative Grants for the 2004–05 School Board Fiscal Year regulation, the Calculation of Average Daily Enrolment for the 2004–05 School Board Fiscal Year regulation, and the Calculation of Fees for Pupils for the 2004–05 School Board Fiscal Year regulation.*

This paper reflects changes to education funding introduced for 2004–05 and also changes introduced in December 2003.

Changes for 2004–05

A summary of the changes from the 2003–04 education funding approach is provided below with details outlined in the relevant sections of this paper.

In 2004–05, total funding to school boards is projected to be $16.3 billion. This is an increase of almost $1 billion, or over 6 percent, more than the funding announced in the March 2003 Budget for the 2003–04 school year.

Priorities for education funding in 2004–05 are to promote stability in the education sector and to initiate positive change that supports the government's commitment to better student achievement.

A significant portion of the funding increase will not be allocated to school boards until allocation methods and accountability measures have been developed through consultation.

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* Should there be any discrepancy between this paper and the regulations, the regulations prevail.

Reflecting the government's commitment to working in partnership with the education sector, there will be consultations about how to allocate many of the investments, for example, funding for students who need help the most, pupil accommodation, and special education.

The government will work with its education partners to ensure accountability so that funding for new initiatives results in additional programs and services for students.

The government will fund several investments in student success outside of the grants to school boards. These initiatives include a literacy and numeracy secretariat, investments in teacher specialists, measures to ensure that more students stay in school until age 18 and complete their high school diplomas, and enhanced supports for low-performing schools. Total funding for these initiatives is a projected $133 million in 2004–05.

The government will also establish a consultative process to review and update funding benchmarks, as recommended by the Education Equality Task Force (EETF). The review will focus on developing benchmarks that reflect standards of effectiveness and efficiency and promote best practices.

Primary class size reduction

The government has made a commitment to put a cap of 20:1 on primary (Junior Kindergarten to Grade 3) classes. As a first step, the government is investing $90 million in primary class size reduction in 2004–05. This is an interim measure. Following consultation with school boards and other education partners, the primary class size cap will be fully implemented by 2007–08.

Help for Students Who Need It the Most

In December 2003, the government announced a funding increase of $112 million in the 2003–04 school year, through the Learning Opportunities Grant (LOG) and the English as a Second Language/Perfectionnement du français (ESL/PDF) components of the Language Grant. The increases in funding to these two grants have been made permanent.

The ESL/PDF components of the Language Grant have been further increased by $47 million in 2004–05. The increased funding will recognize a fourth year of eligibility for each student who qualifies for ESL/PDF funding.

In 2004–05, funding for students who need help the most will be increased by a further $65 million. This funding has not been allocated. The Ministry will consult with partners in education to determine a formula for allocating the $65 million. The consultation will also address the issue of accountability to ensure that the new funding is used for new supports.

Special Education

The 2004–05 school year will be a period of transition for special education funding, as the Ministry works with its education partners to develop a more effective and efficient approach. Unallocated ISA 2003–04 and 2004–05 funding will be distributed to boards following a review to develop, in consultation with education partners, a transitional approach to allocating this additional funding.

Intensive Support Amount (ISA) Level 1

Beginning in 2004–05, boards will be able to claim for 80 per cent of the salary and benefits cost of board-employed technicians who are responsible for maintaining and installing ISA 1 funded equipment. Also new in 2004–05, the practice of requiring pre-approval of all claims over $6000 will be discontinued.

ISA 4 – Section 20 Programs and Section 20 Accommodation and Student Transportation Funding

Starting in 2004–05, the Ministry will provide school operations funding to school boards for Section 20 classrooms that operate in school board space. Funding will be provided as part of pupil accommodation funding, based on the average number of pupils in Section 20 programs operating in schools. The Ministry will also assist school boards with transportation funding for students enrolled in Section 20 classrooms that operate in school board space. These students will be included in the boards' count of students for the special education component of the new transportation model.

French-Language School Boards

To recognize the challenges faced by French-language school boards in helping students who are affected by assimilation pressures achieve better educational outcomes, funding for French-language school boards is increasing by $30 million through a redesigned Actualisation linguistique en français (ALF) component of the Language Grant.

This $30 million enhancement to the ALF allocation for French-language school boards is based on the recommendations of the French-Language Education Strategy Task Force.

Salary Benchmarks

To support school boards in negotiating collective agreements with teachers and staff, salary benchmarks are being increased by 2 percent. This increase is reasonable and fiscally responsible in light of the rate of inflation in Ontario, which is projected to be slightly below 2 percent in 2004, as measured by the Consumer Price Index.

Non-Salary Benchmarks

The government is investing a total of $52 million for an increase in non-salary benchmarks to help keep up with costs in 2004–05. The additional funding provides for a 2 percent increase for most benchmarks. Increases in benchmarks are in addition to other funding enhancements.

Non-Salary Benchmarks	($M)
Textbooks and Learning Materials	4.8
Computers	3.0
Classroom Supplies	6.2
School Supplies	1.9
School Operations	12.1
Transportation	13.0
Board Administration	2.8
New Pupil Places	3.3
School Renewal Benchmarks	4.8

Benchmark Review and Efficiency

In 2004–05, the Ministry will work in a collaborative manner with school boards and other education partners to establish – as recommended by the EETF – a process for regular review of the funding benchmarks.

This review will focus on developing benchmarks that, rather than being based solely on changes in boards' average or median costs, reflect standards of effectiveness and efficiency and support best practices. The EETF noted that, to actively encourage cost-effectiveness, the process to review and update benchmarks "should include regular reviews to ensure that the processes and expenditures once thought to be cost-effective are still the most effective way of achieving the maximum benefit."

The government expects that significant reductions or avoidance of costs can be achieved in future years through the collaborative efforts of government and the education community. The results of these efforts will be taken into account when funding changes are considered in future years.

Student Transportation

In 2004–05, the student transportation funding is increasing by 2 percent to keep up with costs.

A new transportation funding model is being developed to recognize the different circumstances faced by boards in providing transportation to their students. To facilitate the phasing in of a new model, funding has been enhanced by $20 million. This increase is allocated based on a provisional new model.

Declining Enrolment Adjustment

As recommended by the EETF, the Declining Enrolment Adjustment is being extended to provide a third year of funding and will continue to be available in future years. When a board experiences a decrease in enrolment and a corresponding decrease in funding, some costs cannot be adjusted easily and additional time is required to bring spending into line with funding levels.

Pupil Accommodation

Funding enhancements for pupil accommodation in 2004–05 will be implemented within the framework of a Pupil Accommodation Review. These increases total $132.5 million in 2004–05, not including benchmark updates.

These investments address current accommodation pressures facing the education sector and set the stage for longer-term changes. For some enhancements, funding will be allocated following recommendations from the Pupil Accommodation Review.

Average Daily Enrolment (ADE) for Year-Round Schooling

The regulations have been amended to allow the Ministry to adjust the ADE of pupils enrolled in programs offered in year-round schools so that the hours of instruction are properly reflected to show a full-time credit load for full-time hours of instruction.

Property Tax Revenue

The regulations have been amended to allow school boards to apply adjustments to tax revenues of prior years in the current year (e.g., adjustments to the 2003–04 taxes finalized in 2004–05 will be posted to 2004–05 and not 2003–04). This will simplify the grant administration and facilitate financial reporting by school boards.

Tuition Fees and Classroom Enveloping

The regulation has been amended to allow boards flexibility in deciding the portion of tuition fee revenue that will be allocated to classroom expenses. This amendment allows a more accurate matching between revenue and expenses.

Eligible Investments

Amendments to the regulations have been made in order to ensure that the borrowing and investing powers of school boards are consistent with those of municipalities. This will expand the range of eligible investments for school boards (to parallel those for municipalities) and may result in boards getting a slightly better rate of return. Investments must continue to be secure (i.e., in bonds and investment certificates but not equities).

After-School Credit Programs

Funding for after-school credit courses for both secondary and elementary reach-ahead students will be provided through the Continuing Education and Other Programs Grant.

Further Information

If you have any questions about the material in this paper, please contact your Ministry of Education district office finance officer or the following branches of the Ministry:

Education Finance Branch	(416) 325-8407
Business Services Branch	(416) 325-4242
Transfer Payments and Financial Reporting Branch	(416) 314-3711

Education Funding Grants

Education funding consists of a Foundation Grant, eleven special purpose grants, and a Pupil Accommodation Grant as summarized below.

FOUNDATION GRANT

- Classroom teachers
- Teaching assistants
- Textbooks and learning materials
- Classroom supplies
- Classroom computers
- Library and guidance services
- Professional and para-professional supports
- Preparation time
- In-school administration
- Classroom consultants
- Local Priorities Amount

SPECIAL PURPOSE GRANTS

1. Primary Class Size Reduction Amount
2. Special Education Grant
3. Language Grant
4. Geographic Circumstances Grant
5. Learning Opportunities Grant
6. Continuing Education and Other Programs Grant
7. Teacher Qualifications and Experience Grant
8. Early Learning Grant
9. Student Transportation Grant
10. Declining Enrolment Adjustment
11. School Board Administration and Governance Grant

PUPIL ACCOMMODATION GRANT

- School Operations
- School Renewal
- New Pupil Places
- Outstanding Capital Commitments
- Debt Charges

Foundation Grant

The Foundation Grant is a per-pupil allocation that supports the components of a classroom education that are required by, and generally common to, all students. For this school year, the Ministry projects that total funding from the Foundation Grant will be $8.25 billion. The actual total will vary over the course of the school year based on board enrolment.

Foundation Grant – ELEMENTARY	**# staff per 1,000 students**		**average salary + % benefits**	**$ per pupil for supplies and services**	**$ allocation per pupil**
Classroom Teacher Class Size: 24.5:1	Classroom Teacher	40.82	55,161 + 12%		$2,522
	Supply Teacher			90	90
	Staff Development			11	11
Teaching Assistants		0.2	24,445 + 16%		6
Textbooks and Learning Materials				78	78
Classroom Supplies				80	80
Classroom Computers				45	45
Library and Guidance Services	Teacher-Librarian	1.3	55,161 + 12%		81
	Guidance Teacher	0.2	55,161 + 12%		12
Professional/Para-Professional Supports		1.33	47,274 + 14.8%		72
Preparation Time		4.08	55,161 + 12%		252
In-School Administration	Principal	2.75	85,808 +12%		264
	Vice-Principal	0.75	78,302 +12%		66
	Department Head	0			
	Secretary	3.67	30,673 +18%		133
				7	7
Classroom Consultants		0.48	75,933 +12%		41
Local Priorities Amount					200
TOTAL FOUNDATION GRANT		**55.58**		**$311**	**$3,960**

NOTE: Numbers have been rounded for reporting purposes.

Foundation Grant – SECONDARY	# staff per 1,000 students		average salary + % benefits	$ per pupil for supplies and services	$ allocation per pupil
Classroom Teacher Class Size: 21:1	Classroom Teacher	42.86	55,161 + 12%		$2,648
	Supply Teacher			66	66
	Staff Development			12	12
	Teacher Advisor	1.09	55,161 + 12%		67
Teaching Assistants					
Textbooks and Learning Materials				105	105
Classroom Supplies				183	183
Classroom Computers				59	59
Library and Guidance Services	Teacher-Librarian	1.10	55,161 + 12%		68
	Guidance Teacher	2.60	55,161 + 12%		161
Professional/Para-Professional Supports		2.10	47,274 + 14.8%		114
Preparation Time		8.79	55,161+ 12%		543
In-School Administration	Principal	1.10	93,580 + 12%		115
	Vice-Principal	1.50	82,606 +12%		139
	Department Head allowances	9.00	3,530 + 12%		35
	Secretary	5.33	32,312 + 18%		203
				7	7
Classroom Consultants		0.54	75,933 + 12%		46
Local Priorities Amount					200
TOTAL FOUNDATION GRANT	**(Excluding Department heads)**	**67.01**		**$432**	**$4,771**

NOTE: Numbers have been rounded for reporting purposes.

Calculations Concerning Secondary School Classroom Teachers and Teaching Time

The Foundation Grant provides funding for secondary school classroom teachers that is based on the legislated teaching time and class size standards. The grant is based on:

- the legislated standard that, at a secondary school level, teachers are assigned to provide instruction to pupils for a minimum average of at least 6.67 eligible courses (including 0.17 of a course for teacher advisor time) in a day school program during the school year;
- the provincial standard for average secondary class sizes (21:1); and
- an average per-pupil credit load of 7.2 credits per student.

The *Stability and Excellence in Education Act, 2001* enhances the ability of school boards and school authorities to address local priorities while continuing to comply with government standards on class size and teaching assignments. Sections of the Act require school boards to develop and implement board plans on co-instructional activities. The Act also allows school boards to increase average maximum secondary class size by up to one student and to redeploy resources that result to provide greater flexibility in counting instruction time. As well, the Act's regulations allow boards to include teacher advisor programs, remedial programs, programs for the supervision of pupils, and substitution programs in their calculation of teachers' instruction time.

Description of Foundation Grant Components

Classroom Teachers

Salaries and benefits (which include the normal cost of retirement gratuities) for classroom teachers (including teacher advisor duties at the secondary level), supply and occasional teachers to cover absences, and professional development for teachers.

Teaching Assistants

Salaries and benefits for teaching assistants who support teachers in the classroom, primarily in Junior Kindergarten (JK) and Senior Kindergarten (SK).

Textbooks and Learning Materials

Textbooks, workbooks, resource materials, updating library materials, instructional software, CD ROMs, internet expenses, and technology supporting distance education.

Classroom Supplies

Classroom supplies, such as paper, pens, pencils and other materials, and classroom equipment.

Classroom Computers

Classroom computers (hardware only) and the associated network costs.

Library and Guidance Services

Salaries and benefits for teacher-librarians and guidance teachers. Guidance teachers at the elementary level are those providing guidance primarily to Grades 7 and 8 pupils.

Professional and Paraprofessional Services

Salaries and benefits for staff who provide support services to students and teachers, such as attendance counsellors, social workers, child/youth workers, community workers, and computer technicians. Professionals and paraprofessionals who provide support for special education, such as psychologists, psychometrists, and speech pathologists, are funded through a combination of the Foundation Grant, the Special Education Grant, and some special purpose grants (such as the Geographic Circumstances Grant).

Preparation Time

Salaries and benefits for extra teachers needed to allow teachers nonclass time for lesson preparation, marking, and consulting other professionals and parents.

In-School Administration

Salaries and benefits for principals, vice-principals, department heads at the secondary level, and school clerical staff, as well as supplies for school administration purposes, including for school councils.

Classroom Consultants

Salaries and benefits for teacher consultants and coordinators (for example, reading specialists, program specialists who assist teachers in developing curriculum or in working with individual students).

Local Priorities Amount

Funding that gives boards additional flexibility to direct resources to meet their local needs. In 2004–05, the total Local Priorities Amount is over $390 million.

Special Purpose Grants

The costs of education differ depending on the needs of an individual student and where that student lives. The special purpose grants respond to these differences by recognizing the need for specialized programs for students with special needs, and the different levels of support that students require related to language proficiency, location, transportation, and other variations in personal and local circumstances. The eleven special purpose grants are as follows:

Grant	Education funding * ($ Million)
Primary Class Size Reduction Amount	$90.0
Special Education	$1,761.7
Language	$530.5
Geographic Circumstances	$237.8
Learning Opportunities	$455.7
Continuing Education and Other Programs	$156.5
Teacher Qualifications and Experience	$663.0
Early Learning	$7.2
Student Transportation	$684.7
Declining Enrolment	$131.0
School Board Administration and Governance	$473.4

* These amounts are Ministry of Education projections for the 2004–05 school year. Actual funding will vary over the course of the school year based on board enrolment, other factors used in calculating the grants, and board program decisions.

Primary Class Size Reduction Amount

The government has made a commitment to put a cap of 20:1 on primary (Junior Kindergarten to Grade 3) classes. As a first step, the government is investing $90 million in primary class size reduction in 2004–05. This is an interim measure to allow boards to achieve class size reduction in 2004–05 with no requirement to achieve a primary class size cap in 2004–05. Following consultation with school boards and other education partners, the primary class size cap will be fully implemented by the 2007–08 school year.

The Primary Class Size Reduction Amount is calculated by multiplying the 2004–05 day school Average Daily Enrolment of elementary school pupils, counting only pupils enrolled in Junior Kindergarten, Kindergarten, and Grades 1 to 3, by $166.

The Primary Class Size Reduction Amount may only be used to hire additional teachers needed to achieve smaller primary classes and to meet start-up costs for learning materials and classroom supplies in the additional classrooms. Where existing space in school buildings does not allow for the creation of new classrooms, a portion of this grant may be used to purchase or lease temporary space.

In 2004–05, which is a transitional year, the allocation cannot be used for permanent spaces. School boards may use the School Renewal Allocation to undertake repairs and renovations required to accommodate classrooms required for this initiative.

Each school board will be required to submit a plan outlining how it will use the Primary Class Size Reduction Amount to lower primary class sizes. Boards will also be required to report on the implementation of their plans and the results achieved.

The Primary Class Size Reduction Amount must be spent in 2004–05 for the purposes intended. Any unspent funds will be returned to the Ministry.

Special Education Grant

The Special Education Grant provides funding for exceptional pupils and other students who need special education programs and supports. This funding is intended to support the additional programs, services, and equipment required to meet the educational needs of these students. The Special Education Grant includes two components: the Special Education Per-Pupil Amount (SEPPA) and the Intensive Support Amount (ISA).

Unallocated ISA Level 2 and Level 3 2003–04 and 2004–05 funding will be distributed to boards following a review to develop, in consultation with education partners, a transitional approach to allocating this additional funding.

The Ministry will not conduct an ISA Level 2 and 3 claim process during 2004–05.

A full review of special education funding will be held, in consultation with education partners, to develop recommendations for a restructured approach to special education funding in 2005–06 and future years.

For 2004–05, a projected total of $1.76 billion is available in the Special Education Grant distributed as follows:

SEPPA	$837.7M
ISA Level 1	$18.0M
ISA Levels 2 and 3	$831.0M*
ISA Level 4	$75.0M
Total	$1,761.7M

The amount for ISA Levels 2 and 3 includes the allocation for the Special Incidence ISA (also known as SIP - the Special Incidence Portion).

* The $831 million does not include $102 million that has not yet been allocated.

Special Education Per-Pupil Amount

Special Education Per-Pupil Amount (SEPPA) funding is allocated to boards on the basis of total enrolment. SEPPA recognizes the cost of providing additional assistance to the majority of students with special needs. The SEPPA amounts for 2004–05 are:

$585 per JK to Grade 3 student

$441 per Grade 4 to Grade 8 student

$285 per Grade 9 to 12 student.

Intensive Support Amount

Intensive Support Amount (ISA) funding has 4 levels:

ISA 1

This level covers the incremental cost of an individual student's equipment needs in excess of $800 in the year of purchase. Boards are expected to cover the first $800. For example, a board with a student requiring an adapted computer that costs $3,000 would receive $2,200 in ISA 1 funding, if approved.

ISA 1 purchased equipment will normally travel with the student if the student transfers to another board.

Beginning in 2004–05, boards may claim 80 percent of the cost of salaries and benefits for board-employed technicians assigned to installation, maintenance, and staff training related to students' special education related equipment. The Ministry will provide ISA 1 funding for up to one technician per 30,000 students, with small boards eligible for a minimum of 0.2 FTEs (full-time equivalents).

Also new this year, the Ministry's monitoring of ISA 1 claims will shift. The practice of requiring pre-approval of all claims over $6000 will be discontinued, with staff time redirected to conducting classroom visits for a sample of claims to ensure claimed equipment is in use and is meeting students' needs.

ISA 2 and 3

These levels address the cost of providing the intensive staff supports required by the small number of pupils with very high needs. For 2004–05, the Ministry has provided boards with preliminary allocations for 2004–05 that reflect their 2003–04 special education funding levels (before the allocation of an additional $102 million).

Special Incidence ISA

Special Incidence ISA (also known as the Special Incidence Portion or SIP) may also be approved by the Minister to support pupils with exceptionally high needs who require more than two full-time staff to address health and safety needs. Eligibility criteria for SIP are outlined in the *Special Education Funding: Intensive Support Amount (ISA) Level 1 and Special Incidence ISA, 2004–05* document available on the Ministry of Education website, < http://www.edu.gov.on.ca >. SIP claims are submitted to a board's Ministry of Education district office for approval.

ISA 4 (Special Education Programs in Facilities)

This level provides funding for programs serving pupils who are receiving their education through facilities such as hospitals, children's mental health centres, psychiatric institutions, detention and correctional facilities, community living/group homes, and other social services agencies. These programs are called Section 20 programs because of the section number of the Grants for Student Needs – Legislative Grants for the 2004-2005 School Board Fiscal Year regulation that authorizes their funding. (Formerly, these programs were called Section 19 programs.)

The Ministry approves a budget for each Section 20 classroom and provides funding to school boards for teachers, education assistants, and classroom supplies. Revenues are reduced for boards where a program operates on a smaller scale than was projected, or ceases to operate during the school year.

Beginning in 2004–05, the Ministry will provide funding to school boards to help offset the accommodation and transportation costs of Section 20 classrooms that operate in school board space. This funding is included in the Pupil Accommodation Grant and the Transportation Grant calculation.

Language Grant

The Language Grant has five components:

- French as a First Language (FFL),
- French as a Second Language (FSL),
- English as a Second Language/English Skills Development (ESL/ESD),
- Actualisation linguistique en français/Perfectionnement du français (ALF/PDF), and
- Native Language (NL).

For 2004–05, total funding of $530.5 million is projected for the Language Grant.

The $17 million increase to the English as a Second Language (ESL) and the Perfectionnement du français (PDF) allocations announced in December 2003 for the 2003–04 school year is now ongoing funding.

Also in 2004–05, a further $47 million is being provided in additional support for students who need ESL/PDF programs. This change recognizes a fourth year of eligibility for each student who qualifies for ESL/PDF funding.

This is an initial response to an EETF recommendation to expand the number of years for which a student is eligible for ESL/PDF funding from three to five. The government intends to fully implement the EETF recommendation and will provide funding for five years of eligibility by the 2006–07 school year.

Accountability measures ensuring that new ESL/PDF funding provides new supports for ESL/PDF students will be addressed as part of the planned consultation processes.

Also in 2004–05, in response to the French-Language Education Strategy Task Force, the government is increasing funding to French-language boards by $30 million to recognize the challenges faced by these boards in helping students who are affected by assimilation pressures. The structure of the Actualisation linguistique en français (ALF) component of the Language Grant was redesigned to reflect the recommendations of the Task Force.

French as a First Language (FFL)

This funding, available only to French-language boards, recognizes the higher instructional materials and program support costs incurred in providing French-language programs. Funding benchmarks for 2004–05 are $436 per elementary pupil and $705 per secondary day school pupil (on the basis of average daily enrolment), excluding pupils aged 21 and over.

Start-up funding for new elementary classes in French is provided at the rate of $11,597 for each new elementary school established by a board in 2004–05.

French as a Second Language (FSL)

This funding, which is available to English-language boards only, provides for the additional costs of providing core French, extended French, and French immersion programs. Funding for FSL is based on the number of pupils enrolled in these programs and the average daily length of the program.

French as a Second Language (FSL) – Elementary

At the elementary level, funding is provided for core and extended French based on enrolment in French programs for Grades 4 to 8. French immersion programs, if offered by the board, are funded based on enrolment in French programs for Junior Kindergarten to Grade 8.

Current Ministry policy requires that each elementary student accumulate at least 600 hours of French-language instruction by the end of Grade 8. School boards are required to plan their French-language programs so that students are able to meet this requirement.

Average daily length of program		Allocation per pupil enrolled in the program
20 – 59 minutes	(Core, Grades 4 to 8)	$249
60 – 149 minutes	(Extended, Grades 4 to 8)	$283
150 minutes or more 75 minutes or more	(Immersion, Grades 1 to 8) (Immersion, JK and K)	$317

French as a Second Language (FSL) – Secondary

The funding is established according to credits as follows:*

Grades	Allocation per-pupil credit French as a subject	Allocation per-pupil credit subjects other than French taught in French
9 and 10	$63	$104
11 and 12	$84	$162

Language of Instruction

Ontario's curriculum requires that students develop strong English- and French-language skills. The cultural and linguistic diversity of Ontario's population means that many students require extra help to develop proficiency in the language of instruction. These include students who are recent immigrants to Canada and students who live in homes where the first language spoken is neither English nor French.

Two components of the Language Grant provide school boards with resources to meet the needs of these students. English-language school boards receive the English as a Second Language/English Skills Development (ESL/ESD) component. French-language boards receive the Actualisation linguistique en français/Perfectionnement du français (ALF/PDF) component.

In 2003–04 there was a change to the criterion used to determine which students are eligible to be counted as "recent immigrants" for the purpose of calculating these components. The number of eligible students is now based on the country of birth, rather than the country from which the student entered Canada. This change simplified reporting and recognized students who had "stopped over" in an English-speaking country, such as the USA, before entering Canada.

In this context, "eligibility" means that a pupil meets the criteria for funding, that is, date of entry into Canada and country of birth. It does not measure any individual pupil's need for ESL/ESD or ALF/PDF programs and services. As in previous years, the language of instruction components of the Language Grant use available data to determine each school board's relative share of need. The calculations are not intended to count every student who requires support or to determine individual needs for these programs. Boards

* Data source: *Elementary School October Report, 2004* – pupils enrolled on October 31, 2004, Section F; *Secondary School October Report, 2004* – pupil credits on October 31, 2004, Section F; and *Secondary School March Report, 2005* – pupil credits on March 31, 2005, Section F.

use resources provided by the grant to provide language services and supports to students who need them.

In 2004–05, an additional $47 million in annual funding is provided to recognize a fourth year of eligibility for each student who qualifies for ESL/PDF funding.

English as a Second Language/English Skills Development (ESL/ESD)

The funding is available to English-language boards and is based on the following two components:

1) This first component ("recent immigrants") provides a total of $7,847 per eligible student over four years and is based on the number of recent immigrant pupils born in countries where English is not a first or standard language.

   The variables used in calculating this component are:

   (i) a weighting factor for each of the four years; and

   (ii) the number of eligible pupils who entered Canada in each year.

i) WEIGHTING FACTORS

Year	Start date	End date	Weighting Factor
1	September 1, 2003	October 31, 2004	1
2	September 1, 2002	August 31, 2003	0.7
3	September 1, 2001	August 31, 2002	0.5
4	September 1, 2000	August 31, 2001	0.25

ii) NUMBER OF ELIGIBLE PUPILS

Principals are required to report under Section E of the *Elementary School October Report, 2004,* and Section E of the *Secondary School October Report, 2004*, the number of pupils enrolled in the schools, who entered Canada during the last four years and were born in a country where English is not a first or standard language. Schools are required to keep appropriate immigration information in a pupil's Ontario Student Record (OSR) to support the number of pupils reported as having entered Canada during the last four years.

Total "Recent Immigrant" Allocation

The allocation is the sum of the weighted numbers of eligible pupils for each year multiplied by $3,203:

$$\text{"Recent Immigrant" Allocation} = \text{Total number of weighted recent immigrant pupils} \times \$3,203$$

2) The second component ("Pupils in Canada") is calculated by the Ministry based on Statistics Canada data on the number of children aged 5 to 19 years whose language spoken most often at home is neither English nor French. This data is a proxy measure for the relative ESL/ESD need among boards for pupils not covered by the first component. Each board's allocation is set out in Table 2 of the Grants for Student Needs – Legislative Grants for the 2004-2005 School Board Fiscal Year regulation. The distribution among boards is calculated as follows:

$$\frac{\textit{Number of children described above within board's area}}{\textit{Provincial total of children described above}} \times \textit{\$25M}$$

The distribution of children aged 5 to 19 between public and separate boards is based on the number of pupils residing within each enumeration area and on assessment data.*

TOTAL ESL/ESD ALLOCATION

$$\textbf{\textit{ESL / ESD Allocation}} = \textit{Total "Recent Immigrant" allocation} + \textit{Total "Pupils in Canada" allocation from Table 2 of 2004 - 05 grant regulation}$$

French-Language Boards

Funding is available to French-language boards through the following two components: Actualisation linguistique en français (ALF) and the /Perfectionnement du français (PDF).

Actualisation linguistique en français (ALF)

This component is designed to assist French-language school boards in providing language instruction to pupils who are entitled to French-language education by virtue of Section 23 of the *Canadian Charter of Rights and Freedoms* and who have limited or no competencies in French, or use a variety of language that is different from standard French.

Beginning in the 2004–05 school year, an enhancement of $30 million will provide French-language boards with additional resources to help students improve their language proficiency skills.

Calculated for each French-language board separately, the new ALF funding allocation is the sum of the per-pupil component, school component, and board component.

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* Data source: Statistics Canada, 1996 Census – information on the 5 to 19 years population group where the language spoken most often at home is neither English nor French.

i) PER-PUPIL COMPONENT

Using 2001 Statistics Canada data on individuals aged 0 to 19 whose language spoken most often at home does not include French, a proxy measure of assimilation has been developed to reflect the cultural environment of the boards' students.

Calculation of the Assimilation Factor:

The percentage of non-French as home language is calculated at the census sub-division (CSD) level. The CSD percentages are weighted using the CSD's share of board enrolment of the CSDs to calculate the board's assimilation factor.

Note:

1 Only CSDs where the board operates a school facility are included.

2 The enrolment of a CSD is the sum of enrolments of all facilities of the board in the CSD.

3 The Assimilation Factors are listed in Table 3 of the Grants for Student Needs – Legislative Grants for the 2004-2005 School Board Fiscal Year regulation.

Elementary Per-Pupil Allocation:

$$\left[\textit{Elementary ADE} \times \textit{Assimilation Factor}\right] \times \$535$$

Secondary Per-Pupil Allocation:

$$\left[\textit{Secondary ADE} \times \textit{Assimilation Factor}\right] \times \$195$$

ii) SCHOOL COMPONENT

The school component is calculated using the number of elementary and secondary schools identified in the Ministry's School Facilities Inventory System where pupils are enrolled in a day school program in 2004–05.

Elementary School Allocation:

$$\textit{Total number of elementary schools} \times \$36{,}890$$

Secondary School Allocation:

$$\textit{Total number of secondary schools} \times \$67{,}780$$

iii) BOARD COMPONENT

The board amount for 2004–05 is $85,045.

Total ALF Allocation

The total ALF allocation for a French-language board is the sum of the ALF funding components:

$$\text{Elementary Allocation} = \left(\left[\text{Elementary ADE} \times \text{Assimilation Factor}\right] \times \$535\right) + \left(\text{\# of Elem. Schools} \times \$36{,}890\right)$$

$$\text{Secondary Allocation} = \left(\left[\text{Secondary ADE} \times \text{Assimilation Factor}\right] \times \$195\right) + \left(\text{\# of Sec. Schools} \times \$67{,}780\right)$$

$$\textbf{Total ALF Allocation} = \text{Elementary Allocation} + \text{Secondary Allocation} + \$85{,}045$$

Perfectionnement du français (PDF)

The second component is for PDF programs and provides a total of $7,847 per eligible student over four years. It is based on the number of recent immigrant pupils who do not have Section 23 rights under the Charter, and who were born in countries where French is a language of administration or schooling.

PDF programs are intended for pupils who have been admitted in the schools through the board's admissions committee. These pupils are generally born outside Canada and have one of the following characteristics:

- they speak a variety of language that is different from standard French,
- their schooling has been interrupted, or
- they have little knowledge of Canada's two official languages or need to familiarize themselves with the new environment.

The variables used in calculating this component are:

(i) a weighting factor for each of the four years; and

(ii) the number of eligible pupils who entered Canada in each year.

i) WEIGHTING FACTORS

Year	Start date	End date	Weighting Factor
1	September 1, 2003	October 31, 2004	1
2	September 1, 2002	August 31, 2003	0.7
3	September 1, 2001	August 31, 2002	0.5
4	September 1, 2000	August 31, 2001	0.25

ii) NUMBER OF ELIGIBLE PUPILS

Principals are required to report under Section E of the *Elementary School October Report, 2004*, and Section E of the *Secondary School October Report, 2004*, the number of pupils enrolled in the schools, who entered Canada during the last four years and were born in a country where French is not a first or standard language. Schools are required to keep appropriate immigration information in a pupil's Ontario Student Record (OSR) to support the number of pupils reported as having entered Canada during the last four years.

Total PDF Allocation

The allocation is the sum of the weighted numbers of eligible pupils for each year multiplied by $3,203:

$$\text{PDF Allocation} = \text{Total number of weighted recent immigrant pupils} \times \$3{,}203$$

TOTAL ALF/PDF ALLOCATION

$$\textbf{ALF / PDF allocation} = \text{Total ALF allocation} + \text{Total PDF allocation}$$

Native Language – Aboriginal Languages

This funding assists school boards that provide Native-language (NL) programs. Funding is based on the number of pupils enrolled in the program and the average daily length of the program as set out in the following tables.

Native Language (NL) – Elementary

Average daily length of program	Allocation per pupil enrolled in the program
20 – 39 minutes	$239
40 minutes or more	$424

Native Language (NL) – Secondary

The funding is established according to credits as follows:*

Grades	Allocation per-pupil credit
9 and 10	$63
11 and 12	$84

* Data source: *Elementary School October Report, 2004* – pupils enrolled on October 31, 2004, Sections G and H; *Secondary School October Report, 2004* – pupil credits on October 31, 2004, Sections G and H; and *Secondary School March Report, 2005* – pupil credits on March 31, 2005, Sections G and H.

Geographic Circumstances Grant

The Geographic Circumstances Grant is designed to recognize the additional costs of operating small schools in isolated areas, and costs that are associated with the geography of boards (including board size and school dispersion).

The components of the Geographic Circumstances Grant are as follows:

- Distant Schools Allocation (including an allocation for principals),
- Remote and Rural Allocation.

Total funding of $237.8 million is projected for the Geographic Circumstances Grant in 2004–05.

Distant Schools Allocation

The Distant Schools Allocation was introduced in 2003–04 to help school boards ensure student success in small rural and northern schools. The Distant Schools Allocation replaced the Small Schools Allocation in the Geographic Circumstances Grant. The Principals Component of the Small Schools Allocation was retained as part of the new Distant Schools Allocation.

Funding for the Distant Schools Allocation has been retained at the 2003–04 level, except for the Principals Component which has been updated with the 2004–05 benchmark increases. See Appendix A (page 83) for details.

The Distant Schools Allocation is part of the Rural Education Strategy (RES). Other funding components of RES are:

- Distant School Top-up Funding for school operations and school renewal through the Pupil Accommodation Grant;
- Changes to the calculation of the New Pupil Places Allocation in the Pupil Accommodation Grant; and
- An adjustment to the French as a First Language component of the Language Grant. Funding benchmarks for this component have been increased in 2004–05 (see page 22).

In 2004–05, each board will receive an amount equal to the top-up funding it received through the RES funding component of the School Operations and School Renewal Allocations in 2003–04. Some boards also experienced an increase in the New Pupil Places Allocation. This amount will also be recognized in 2004–05.

Remote and Rural Allocation

This funding responds to the higher cost of purchasing goods and services for small school boards, as well as for boards that are distant from major urban centres, and boards with schools that are distant from one another.

Three factors are used in determining funding:

- board enrolment,
- distance from an urban centre, and
- school dispersion.

Board Enrolment

This component supports the higher per-pupil costs for goods and services faced by smaller school boards.

Enrolment	Per-Pupil Allocation
0 – 4,000	$308 – (Day School ADE x .0167)
4,000 – 8,000	$241 – ([Day School ADE – 4000] x .0192)
8,000 – 16,000	$164 – ([Day School ADE – 8000] x .0205)

Distance/Urban Factor/French-Language Equivalence

This component takes into account the additional costs of goods and services related to remoteness and the presence or absence of urban centres. This component also recognizes that, much like remote school boards, French-language school boards in southern Ontario operating in a minority language context face higher costs in obtaining goods and services.

Distance (referred to as *D* in the formula below) is measured from the nearest defined cities of Toronto, Ottawa, Hamilton, London, or Windsor to the town or city located nearest to the geographic centre of the board.

$$\textbf{Distance / urban allocation} = \left(\begin{array}{l}\text{per pupil allocation} \\ \text{based on distance (D)}\end{array} \times \text{urban factor}\right)$$

Distance	Per-Pupil Allocation
0 – 150 kilometres	$0
150 – 650 kilometres	$1.051 x (D–150)
650 – 1150 kilometres	$525 + [$0.139 x (D–650)]
1150 kilometres +	$595

City or town within a board's jurisdiction with a population of	Urban factor
0 – 25,000	1
25,000 – 200,000	$1 - \left(\frac{\text{population} - 25{,}000}{175{,}000}\right)$
200,000 +	0

Distance Equivalence

French-language school boards receive the higher of their distance/urban allocation or a distance allocation of $171 per pupil.

School Dispersion

This component recognizes the higher costs of providing goods and services to students in widely dispersed schools.

The school dispersion measure consists of:

- the average distance between a board's schools, calculated on the basis of the shortest unique road route linking all the schools in a board, and
- the average road distance between the central board office and each school of the board, based on the shortest unique road route linking the board office with each school.

The average dispersion is expressed as a weighted average of two distances (school-to-school average weighted at 0.8 and board-office-to-school average weighted at 0.2).

Average Dispersion	Per-Pupil Allocation
0 – 14 kilometres	$0
14 kilometres +	$5.52 x (Average Dispersion – 14)

Only boards with an average dispersion distance greater than 14 kilometres qualify for funding under the dispersion component. Each qualifying board's allocation for this component is determined by the following formula:

$$\textbf{Dispersion Factor} = (2004-05\ ADE) \times (\$5.52 / pupil) \times \left(\begin{matrix}Dispersion \\ Factor\end{matrix} - 14\ km\right)$$

Each board's average school dispersion distance is set out in Table 4 of the Grants for Student Needs – Legislative Grants for the 2004-2005 School Board Fiscal Year regulation.

Learning Opportunities Grant

The Learning Opportunities Grant (LOG) for 2004–05 consists of four components:

- Demographic component,
- Early Literacy component,
- Literacy and Math Outside the School Day component, and
- Student Success, Grades 7 to 12* component.

For 2004–05, total funding of $455.7 million is projected for LOG.

In December 2003, the government announced a $95 million increase to the Demographic Component of LOG for 2003–04. This increase is ongoing in 2004–05 and future years.

In 2004-05, there will be a further $65 million directed to help students who need it the most. The Ministry will consult with school boards and other education partners about the most effective approach to allocating the $65 million. The goal is to provide recommendations to the government in the Fall so that this new funding can flow as quickly as possible in the 2004–05 school year.

Demographic Component

This component of the Learning Opportunities Grant provides funding to school boards based on social and economic indicators that have been associated with a higher risk of academic difficulties for students. This grant permits boards to offer a wide range of programs to improve the educational achievement of these students. Boards have considerable latitude in determining the kinds of programs and supports they provide with this funding.

In 2002–03, every board received an increase through the Demographic component as part of a $15 million enhancement based on recommendations of the LOG working group. The group supported a new funding approach that uses more recent statistical data and an improved allocation method.

Every school board also received a share of the $95 million increase announced in December 2003. The allocation provides a greater share of the increase to boards with the largest numbers of students at risk because of social and economic factors or because they have recently arrived in Canada.

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* Formerly known as the Students at Risk component.

Public Reporting Requirements

Boards will be required to report publicly on how the increased LOG funding has been used to benefit students disadvantaged by the demographic factors represented in the new allocation.

Allocation Model for the 2003–04 Funding Increase

The $95 million increased funding for 2003–04 is added to each board's existing Demographic component allocation based on the following socio-economic indicators from the 1996 census:

Indicator	Description (1996 Census)	Weight
Recent Immigration	The percent of all persons who immigrated to Canada between 1991 and 1996.	50%
Low Income Cut-Off (LICO)	The percent of all persons who are living below the low income cut-off (LICO) point.	40%
Low Education	The percent of all persons 15 years or over who have less than a Grade 9 level education.	5%
Lone Parent Status	The percent of families that are lone-parent families.	5%

Allocation Model for the Portion Added in 2002–03

The portion of the Demographic component added in 2002–03 is determined by the following socio-economic indicators from the 1996 Census:

Indicator	Description (1996 Census)	Weight
Low Income Cut-Off (LICO)	The percent of all persons who are living below the low income cut-off (LICO) point.	50%
Low Education	The percent of all persons 15 years or over who have less than a Grade 9 level education.	12.5%
Recent Immigration	The percent of all persons who immigrated to Canada between 1991 and 1996.	12.5%
Lone Parent Status	The percent of families that are lone-parent families.	12.5%
Aboriginal Origin	The percent of all persons indicating "Aboriginal" as their ethnic origin.	12.5%

Allocation Method for the 2002–03 and 2003–04 Funding Increases

1. Schools are ranked for each indicator.
2. Based on their variable ranks, schools generate per-pupil funding units according to the funding unit scale. The 40 percent of schools with the most at risk students for a given variable receive funding units. The funding unit scale provides a gradual increase in the per-pupil amount generated based on the level of risk in the school.
3. The per-pupil funding units for each indicator are multiplied by the enrolment of the school to create a school-level funding units total for the indicator. Funding units for all indicators are summed to produce total school funding units.
4. The total funding amount is distributed on a school basis proportional to the funding units.

$$\textit{Funding Unit Value} = \frac{\textit{Total Funding Available}}{\textit{Total Funding Units}}$$

$$\textit{School LOG Funding} = \textit{School Funding Units} \times \textit{Funding Unit Value}$$

5. School funding is summed to determine total funding for each school board.

Allocation Model for the Portion Introduced in 1998

The $200 million portion of the Demographic component, maintained from prior years, is determined by the following socio-economic indicators:

Indicator	Description	Provincial Rate
Low Income Cut-Off (LICO)	The percent of all persons who are living below the low income cut-off (LICO) point. LICOs are determined by Statistics Canada and vary from community to community.	13.1%
Low Education	The percent of all persons 15 years or over who have less than a Grade 9 level education.	11.5%
Recent Immigrants	The percent of all persons who immigrated to Canada between 1988 and 1991.	3.25%
Aboriginal Status	The percent of all persons indicating "Aboriginal" as their sole ethnic origin.	0.7%

The funding is based on:

- the eligible enumeration areas within the board,
- funding units within eligible enumeration areas, and
- allocation of funding units among each board within the eligible areas.

Eligible Area

The area used for the purpose of the calculation is an enumeration area. An area is eligible where the percentage of the area population in any one of the four socio-economic indicators is at least twice the provincial rate. Once an enumeration area is eligible on any one of the four indicators, its funding is calculated based on the LICO rate for that enumeration area.

Funding Units

$$\text{Funding Units} = \begin{array}{l}\text{Child population} \\ \text{(less than 18 years of age)}\end{array} \times \left(\frac{\text{\% area population [LICO]}}{\text{provincial LICO rate}} \right)$$

In some instances, LICO information was not available for an eligible enumeration area due to the suppression of low response rates by Statistics Canada. Where no LICO information is available for the eligible enumeration area, the Low Education variable is used in place of LICO for the calculation of funding units.

Example:

Data for enumeration area A:

Child population (under 18 years old)	1,300
% of population below the LICO point	11.1%
% of population with aboriginal status	0.1%
% of population 15 years and older with lower than Grade 9 education	24.0%
% of population who are recent immigrants	5.0%

In this example, the enumeration area qualifies since it is more than twice the provincial rate on the low education variable.

Funding units for eligible area A:

$$1{,}300 \times \left(\frac{11.1 \left[\text{LICO rate of area A}\right]}{13.1 \left[\text{provincial LICO rate}\right]} \right)$$

Allocation of Funding Units Among Boards

All funding units in eligible enumeration areas are summed according to census subdivisions (CSD). Funding units in a CSD are apportioned to each board by using municipal enumeration data showing school-aged population of public and separate and English and French electors.

The funding units that a board has accumulated are then translated into funding as follows:

$$\left(\frac{\textit{Total number of funding units for a board}}{\textit{Total number of funding units for all boards}}\right) \times \textit{Total allocation}$$

Each board's allocation for the total Demographic component is set out in Table 5 of the Grants for Student Needs – Legislation Grants for the 2004-2005 School Board Fiscal Year regulation.

Early Literacy Component

In 2000–01, the government began providing additional, ongoing funding to support improving early literacy for students from JK to Grade 3.

Funding for this component is being allocated on the basis of each board's share of enrolment (ADE) from JK to Grade 3. For 2004–05, the Learning Opportunities Grant is $124 for each of these early learners.

Boards are required to focus these new resources on primary students with the greatest need: students in Grades 1 to 3 whose achievement levels are 1 ("D" on a report card) or lower ("R" on a report card), and students in JK and SK whose reading readiness assessments show they need remedial help.

Literacy and Math Outside the School Day Component

In 2000–01, funding was added to the Learning Opportunities Grant so boards could provide additional supports to enhance the literacy and math skills of students at risk of not meeting the new curriculum standards and the requirements of the Grade 10 literacy test. In 2004–05, this component is projected to be $20.6 million.

These courses or programs can be provided during the summer, and during the regular school year outside the regular school day, for:

- A class or course in literacy and math for pupils in Grade 7 or 8 for whom a remedial program in literacy and math has been recommended by the principal of the day school.
- A non–credit class in literacy and math for pupils in Grade 9 to 12* for whom a Grade 9 or 10 remedial program in literacy and math has been recommended by the principal of the day school.
- A class or course in literacy and math established for adults who are parents or guardians of pupils in all grades for whom the principal of the day school has recommended a remedial course in literacy and math.

In 2001–02, per-pupil funding for this component was increased from $2,294 to $4,843 per ADE, so that a class of ten students would meet the average cost of a continuing education teacher. Due to salary benchmark increases, this component was further increased in 2002–03 and 2003–04 to $4,980 and $5,275 per ADE, respectively. In 2004–05, per-pupil funding is increasing to $5,381 per ADE.

Summer Literacy and Math Programs

Per-pupil funding for literacy and math programs at $5,381 per ADE is available in the summer of both 2004 and 2005, for at risk students in Grades 7 to 12 and for parents of at risk students. Transportation for students to summer programs in 2004–05 will continue to be provided at the increased level of funding introduced in 2000–01. (See also Transportation Grant, page 51.)

Transportation for pupils enrolled in summer school literacy and math programs is provided as follows:

$$\frac{\textit{2004 - 05 transportation allocation for the board}}{\textit{2004 - 05 ADE of pupils of the board}} \times \textit{ADE of Grades 7 to 12 literacy and math summer school programs} \times 3$$

School Operations and School Renewal allocations are also provided for students in Grades 7 to 12 literacy and math summer school programs under the Pupil Accommodation Grant.

Student Success, Grades 7 to 12 Component

Based on the report of the At-Risk Working Group, the government has allocated $51 million in 2004–05 for the Student Success, Grades 7 to 12 component to assist students

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* The average daily enrolment regulation was amended in 2002–03 to clarify that students in Grades 11 and 12 are eligible to enrol in remedial programs in literacy and numeracy that are provided outside the regular school day, where their enrolment has been recommended by the principal.

in Grades 7 to 12 who may not achieve their education goals, to improve the teaching and learning of literacy and numeracy, to enhance preparation of students in passing the Grade 10 literacy test, and to increase opportunities for students to participate in successful school-to-work pathways.

A portion of the allocation is used to provide each school board with a dedicated leader to assist schools in developing programs to improve student success.

A school dispersion factor is used in the allocation to ensure that small, non-urban, and French-language school boards receive a higher proportion of funds to recognize their higher costs.

Also included in the allocation is a demographic factor that will ensure that school boards with a higher proportion of risk factors (mostly urban boards) will receive a higher proportion of funds. Each board's Student Success Demographic Factor is set out in Table 5 of the Grants for Student Needs – Legislative Grants for the 2004-2005 School Board Fiscal Year regulation.

As recommended by the At-Risk Working Group, two expert panels on literacy (one English, one French), and a Pathways Work Group were established to provide recommendations on effective programs for student success. An expert panel on numeracy will provide recommendations in June 2004.

Boards are required to submit action plans based on the recommendations for use of their allocation and to file reports on their expenditures and activities to the Ministry of Education within the school year. For the 2004–05 school year, a plan outlining the intended expenditures relative to the requirements and signed by the director of education is required in September 2004. A detailed report back will be required from the director of education by June 2005.

Continuing Education and Other Programs Grant

Total funding of $156.5 million is projected for the Continuing Education and Other Programs Grant.

This funding supports the provision of adult day school programs and continuing education programs such as adult English or French as a second language, adult Native language, adult credit for diploma, and correspondence/self–study.

Funding is provided for crossover or transfer courses to allow students to move between the applied and academic streams in secondary school, and to allow partial credits as permitted by secondary school reform. The grant provides funding for a class or course for secondary school pupils who wish to transfer between course types in accordance with Section 5.6 of the Ministry publication *Ontario Secondary School Grades 9 –12: Program and Diploma Requirements, 1999*.

This funding supports the provision of credit courses for secondary school students in the summer or outside the school day, for example, in the evenings.

Funding is also provided for international language programs for elementary pupils.

The allocation for international languages for school boards offering approved classes for international language instruction in a language other than English or French is based on a rate of $42 per classroom hour where the board's average class size for the program is 25 or more. Where the average class size for a board with this program is less than 25, the $42 grant per classroom hour is reduced by $1 for every pupil less than 25.

Funding for continuing education and summer school programs is $2,478 per ADE (excluding pupils in respect of whom fees are chargeable under the tuition fees regulation).

Funding for day school pupils aged 21 and over is $2,478 per ADE. The School Operations and School Renewal Allocations of the Pupil Accommodation Grant are provided for these students, as well as for students enrolled in summer school programs and in continuing education credit courses offered during the day.

Prior Learning Assessment and Recognition

Prior Learning Assessment and Recognition (PLAR) for mature students is a formal evaluation and accreditation process carried out under the direction of the principal and through which the principal may grant secondary school credits to mature students. Beginning in 2003–04, funding was provided for the delivery of PLAR services to mature students who are enrolled in the board to take credit courses toward the Ontario Secondary School Diploma. PLAR assessment services that are funded include:

- $100 for an individual student assessment for Grade 9 and 10 credits (maximum of one such assessment per mature student in any one school year);
- $100 for an individual student equivalency assessment for Grade 11 and 12 credits (maximum of one such assessment per mature student in any one school year); and,
- $300 for each completed challenge assessment for a Grade 11 or 12 full credit course, whether successful or unsuccessful.

School boards are funded based on their reporting of these assessment activities.

After-School Credit Programs

Funding for after-school credit courses for both secondary and elementary reach-ahead students is provided through the Continuing Education and Other Programs Grant.

Teacher Qualifications and Experience Grant

The Teacher Qualifications and Experience Grant provides resources to help meet teacher compensation costs by recognizing that salary costs vary according to the normal range in teachers' qualifications and experience.

For 2004–05, total funding of $663 million is projected for the Teacher Qualifications and Experience Grant. This includes $83.5 million for the Special Assistance for Average Per-Pupil Credit Load component of the grant.

The Teacher Qualifications and Experience Grant provides funding to boards that have teachers who, because of their qualifications and experience, have salaries above the benchmark level used to determine the Foundation Grant.

The elementary per-pupil allocation is calculated as follows:

$$\left(\text{Sum of} \left[\frac{\text{Elementary Teachers on board's regular grid} \times \text{Instructional Salary Matrix}}{\text{Number of elementary teachers on board's regular grid distribution}} \right] - 1 \right) \times \$2{,}867$$

The secondary per-pupil allocation is calculated as follows:

$$\left(\text{Sum of} \left[\frac{\text{Secondary Teachers on board's regular grid} \times \text{Instructional Salary Matrix}}{\text{Number of secondary teachers on board's regular grid distribution}} \right] - 1 \right) \times \$3{,}487$$

Instructional Salary Matrix

Qualifications & Experience*	D	C	B	A1	A2	A3	A4
0	0.5788	0.5788	0.5788	0.6229	0.6487	0.7081	0.7449
1	0.6127	0.6127	0.6127	0.6540	0.6864	0.7502	0.7926
2	0.6332	0.6332	0.6332	0.6989	0.7318	0.7969	0.8432
3	0.6523	0.6523	0.6523	0.7416	0.7743	0.8442	0.8925
4	0.7149	0.7149	0.7149	0.7814	0.8158	0.8953	0.9443
5	0.7698	0.7698	0.7698	0.8234	0.8606	0.9435	0.9975
6	0.8225	0.8225	0.8225	0.8655	0.9042	0.9866	1.0473
7	0.8694	0.8694	0.8694	0.9073	0.9472	1.0363	1.0997
8	0.8900	0.8900	0.8900	0.9485	0.9876	1.0860	1.1512
9	0.9154	0.9154	0.9154	1.0025	1.0411	1.1534	1.2026
10	0.9667	0.9667	0.9667	1.0451	1.0989	1.2136	1.2949

The salary matrix reflects a benchmark of $55,161 for teacher salary and excludes teacher consultants and the administrative component of principals and vice-principals. They are, therefore, to be excluded from the board's regular grid distribution for the purpose of calculating grant entitlements. Teachers providing instruction in ISA 4 programs are also excluded from the board's grid distribution. This is because the instructional cost of the program is funded under special education, and pupils in these programs are not counted as pupils of the board.

The teacher distribution as of October 31, 2004, is to be used for the calculation of the 2004–05 Teacher Qualifications and Experience Grant. Where the qualification of a teacher changes after October 31, 2004, and the change for salary purposes is retroactive to October 2003, or earlier, the changed qualification category is used for the purpose of this calculation.

Education funding recognizes teachers' actual experience and ensures consistent claims for the Teacher Qualifications and Experience Grant by recognizing part years of teaching. Boards are to place teachers on the experience grid by rounding part-year experience to the nearest whole number of years of experience.

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* Data Source: Data Form A, January 31, 1998 and Form A, January 31, 1998. Information as previously provided to the Education Relations Commission.

Special Assistance for Average Per-Pupil Credit Load

This component of the Teacher Qualifications and Experience Grant provides funding at the secondary level where the average credit load of secondary school pupils exceeds 7.2 credits per pupil. Assistance is provided to recognize an average credit load of up to a maximum of 7.5 credits per pupil.

The component is calculated as follows:

$$\left(\frac{\text{Average number of secondary school credits per pupil for the board in the 2003 – 04 school year (up to a maximum of 7.5)} - 7.2}{7.2}\right) \times \text{\$3,258 for classroom teachers and preparation time} \times \text{2004 – 05 secondary day school ADE (excluding pupils aged 21 and over)}$$

For the purpose of calculating the average number of secondary school credits per pupil, a special education secondary school pupil enrolled on a full-time basis in programs for which credits are not granted will be granted an equivalent of 8 credits.

220 hour upgrading courses for students at risk

Students entering the secondary school program with knowledge and skills at a level below that required to succeed in the Grade 9 program may benefit from extended time in locally developed compulsory credit upgrading courses in the core subjects of English/français, mathematics and/or science. Similarly, students in Grade 10 who are preparing for success in Grade 11 and 12 workplace preparation courses may benefit from the opportunity to strengthen their knowledge and skills through locally developed compulsory credit courses in English/français and mathematics. Students may also strengthen their knowledge and skills through Ministry-approved Grade 9 and 10 locally developed optional credit courses.

Some students will benefit from the opportunity to take a Grade 9 and/or Grade 10 locally developed compulsory and/or optional credit courses with a credit value of one credit each for a duration of 220 hours (on a daily basis throughout the academic year) rather than 110 hours. These 220-hour courses will be counted as single credit courses for the purpose of reporting student achievement.

Board reporting forms for funding purposes have been amended so that these Grade 9 and Grade 10 220-hour locally developed single credit courses can be counted as 2 credits for the purpose of calculating the average number of credits per pupil under the Special Assistance for Average Per-Pupil Credit Load component of this grant.

Early Learning Grant

This grant provides all school boards with an equitable level of funding to support early learners (pupils up to Grade 3).

For 2004–05, total funding of $7.2 million is projected for the Early Learning Grant.

Pupils enrolled in Junior Kindergarten (JK) are funded on the same basis as other pupils, through the Foundation Grant, the special purpose grants, and the Pupil Accommodation Grant. JK pupils are funded as 0.5 ADE.

Boards that do not offer JK receive an Early Learning Grant of $751 per pupil based on their Senior Kindergarten (SK) to Grade 3 enrolment. The Early Learning Grant has been set at a level that is equivalent on average to the funding a board would receive if it were to offer JK.

Boards that offer JK will not normally be eligible for the Early Learning Grant. However, in some instances, boards that only provide JK in part of their jurisdiction may claim the Early Learning Grant for the remaining part of their jurisdiction. To recognize and support a board's option to use the funding available to support early learning in a manner that best meets local needs, the following formula is provided:

$$\left(\$751 \times \begin{array}{c}\text{Board's ADE}\\(\text{SK to Grade 3})\end{array}\right) - \left(\text{JK ADE} \times \begin{array}{c}\text{Board's 2004 – 05 allocation}\\\text{per elementary pupil}\end{array}\right)$$

A board's 2004–05 allocation per elementary pupil includes funding from:

- the Foundation Grant;
- special purpose grants, excluding the Primary Class Size Reduction Amount, the Early Learning Grant, the Continuing Education and Other Programs Grant, the Literacy and Math Outside the School Day and the Student Success, Grades 7 to 12 components of the Learning Opportunities Grant, the French as a Second Language Allocation for core and extended programs; the Declining Enrolment Adjustment, and the Remote and Rural Allocation; and
- the Pupil Accommodation Grant, excluding the allocations for debt charges, school renewal, and new pupil places.

For the purpose of the calculation of this allocation, JK and SK pupils enrolled in combined programs are deemed to be half-time pupils.

Student Transportation Grant

The Student Transportation Grant provides school boards with funding to recognize the costs of transporting pupils from home to school including transporting students with special needs.

For 2004–05, total funding of $684.7 million is projected for the Student Transportation Grant. Building on the 2003–04 allocation of $651 million, funding for this year includes a benchmark increase of 2 percent for all school boards, and an enhancement of $20.4 million to facilitate the phasing in of a new model to allocate funding for student transportation.

The equitable allocation of funding for student transportation is fundamental to the success of a new model. A new approach has been developed to recognize the different circumstances faced by boards in providing transportation to their students. A description of this model is provided in the document *Equitable Allocation Through a New Funding Model for Student Transportation in Ontario: A Discussion Paper* which may be accessed on the Ministry of Education website at < http://www.edu.gov.on.ca >.

The new model incorporates the following eleven different components:

1. General Transportation Need
2. Mobility Accessible Needs
3. Special Education Program Needs
4. Other Special Transportation Needs
5. Transportation to Provincial Schools
6. Unique Transportation Service Needs
7. Board and Lodging
8. Safety Programs
9. Local Hazards
10. Local Priorities
11. Administration

The model also takes into account a number of factors beyond the control of school boards that affect their ability to provide this service. These factors reflect differences in the location of a board's students and schools; differences in road networks; and climatic differences. Interim parameters have been assigned to each of these factors for purposes of calculating grants and testing the new model in 2004–05.

Over the next several months the Ministry of Education will consult with the Transportation Review Committee and other stakeholders to ensure that all factors that impact student transportation are reflected in the new model and that adjustment parameters are reasonable and fair. Recommendations developed through this consultation process will be considered for implementation in the grants for 2005–06 and beyond.

To provide for a responsible introduction of this new funding approach, and to ensure stability in the system, board allocations under the new funding model will be phased in. As indicated below, funding for student transportation will not be reduced for boards if the application of the new formula results in an allocation which is less than the amount received in 2003–04. Similarly, in recognition that additional consultation is required before funding parameters are finalized, percentage increases will be capped for boards projected to receive increases in funding under the new formula results.

Boards will receive a 2 percent increase in funding for student transportation in 2004–05 in addition to the amounts they are entitled to receive as a result of phasing in the new model, in recognition of the recent cost increases.

Simulated Change in Funding under New Model	**Phase In Allocation**	**Benchmark Adjustment**	**Total Change in Funding for Student Transportation**
Increase – greater than 30%	10.0 %	2.0%	12.0%
Increase – greater than 15% and less than or equal to 30%	5.0%	2.0%	7.0%
Increase – greater than 2.5% and less than or equal to 15%	2.5%	2.0%	4.5%
Increase – less than 2.5%	x%	2.0%	x+2%
Decrease	0.0%	2.0%	2.0%

Funding for Transportation to Provincial Schools

Funding for transportation to Provincial Schools is one of the eleven components in the new model that will continue to be allocated based on the expenditure by the board in 2004–05. These costs are covered by school boards and are approved by the Minister for the transportation of students to and from Provincial Schools.

Funding for Summer School Transportation

An additional allowance for transportation is included under the Learning Opportunities Grant for literacy and math remediation programs. Please refer to page 40 for details.

Declining Enrolment Adjustment

Because much of each board's revenue from education funding grants is determined by enrolment, boards with declining enrolment lose revenue. This is appropriate, because boards no longer need the same number of teachers and other supports when they have fewer students.

Boards' costs, however, do not decline in a way that is strictly proportional to declining enrolment. Some costs can be adjusted easily. For example, the cost of classroom teachers can be reduced by changing the arrangement of classes to adjust to reduced enrolment. Other costs cannot be adjusted as easily. For this reason, the government introduced the Declining Enrolment Adjustment beginning in the 2002–03 school year.

The government is providing an additional $9.7 million in 2004–05 to extend the Declining Enrolment Adjustment from two to three years.

For 2004–05, total funding of $131 million is projected for the Declining Enrolment Adjustment.

	2002–03 ($ millions)	**2003–04 ($ millions)**	**2004–05 ($ millions)**
2002–03 DEA	$38	$18	$9.7
2003–04 DEA		$101	$50.0
2004–05 DEA			$71.3
Total	$38	$119	$131.0

For 2004–05, the adjustment is determined by calculating 25 percent of the school board's Declining Enrolment Adjustment in 2002–03, adding to it 50 percent of the school board's Declining Enrolment Adjustment in 2003–04, and adding to it the school board's Declining Enrolment Adjustment for 2004–05, which is calculated as follows:

1. Determine the decrease in operating revenue between 2003–04 and 2004–05, excluding the impact of new investments added to education funding in 2004–05 (*A* in the following formula).

$$A = B - C$$

Where:

B = Total operating revenue in 2003–04 (excluding allocations not based on enrolment*)

C = Total operating revenue in 2004–05 (excluding allocations not based on enrolment and new investments**).

2. Calculate the reduction in costs the board is expected to achieve as a result of the enrolment decline (*D*). This equals 58 percent of the percent decline in enrolment applied to the 2003–04 operating revenue.

$$D = (58\% \text{ of rate of enrolment decline}) \times B$$

3. Where revenue has declined, determine the amount by which the operating revenue decline exceeds the expected reduction in the board's costs (*E*). (A board is only eligible for the Declining Enrolment Adjustment if the operating revenue decline is greater than the expected cost reduction.)

$$E = A - D$$

4. Apply scaling factor (*G*) to determine Declining Enrolment Adjustment (*F*). The scaling factor recognizes that, the greater the decline in enrolment, the more difficult it is to adjust costs.

   Multiply the result of the calculations above by a scaling factor.

$$F = G \times E$$

   The table below provides examples of scaling factors that have been set for three different ranges of enrolment declines:

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* Operating revenue in each year excludes ISA, Teacher Qualifications and Experience Grant, Continuing Education and Other Programs Grant, the Demographic and Literacy/Math Outside the School Day and Student Success components of the Learning Opportunities Grant, all the components of the Language Grant except French as a First Language, the Declining Enrolment Adjustment, the Transportation Grant, and the Distant Schools Allocation of the Geographic Circumstances Grant.

** 2004–05 operating revenue also excludes new investments.

Portion of Percentage Decline in Enrolment	Scaling Factor for Portion of Decline
Up to 0.25%	0.5
> 0.25%, up to 1.5%	1
> 1.5%	1.5

The table below provides examples of scaling factors for specific percentage enrolment declines.

Percent Enrolment Decline	Factor	Percent Enrolment Decline	Factor	Percent Enrolment Decline	Factor
0.1%	0.50000	1.1%	0.88636	2.1%	1.08333
0.2%	0.50000	1.2%	0.89583	2.2%	1.10227
0.3%	0.58333	1.3%	0.90385	2.3%	1.11957
0.4%	0.68750	1.4%	0.91017	2.4%	1.13542
0.5%	0.75000	1.5%	0.91667	2.5%	1.15000
0.6%	0.79167	1.6%	0.95313	2.6%	1.16346
0.7%	0.82143	1.7%	0.98529	2.7%	1.17593
0.8%	0.84375	1.8%	1.01389	2.8%	1.18750
0.9%	0.86110	1.9%	1.03947	2.9%	1.19828
1.0%	0.87500	2.0%	1.06250	3.0%	1.20833

To determine the scaling factor (G) of a board that has declining enrolment, apply the following formula (to five decimal points):

$$H = 1 - \frac{\textit{2004 – 05 day school ADE of the board}}{\textit{2003 – 04 day school ADE of the board}}$$

Note: Day school ADE includes enrolment of JK to Grade 12 pupils of the board, excluding pupils 21 and over.

If the amount H does not exceed 0.0025, the scaling factor is 0.5.

If the amount H is greater than 0.0025 but does not exceed 0.015, the scaling factor is calculated as follows:

$$G = \frac{(H - 0.0025) + 0.00125}{H}$$

If the amount H is greater than 0.015, the scaling factor is calculated as follows:

$$G = \frac{1.5\ (H - 0.015) + 0.01375}{H}$$

Below is an example of the declining adjustment calculation:

	Example - Hypothetical board	**$ Millions**			
Line		**2001–02**	**2002–03**	**2003–04**	**2004–05**
1	% decline in enrolment		2.0%	2.2%	2.5%
2	Operating revenue	300.00	295.32	290.25	285.00
3	Decline in operating revenue		4.68	5.07	5.25
4	Estimated reduction in costs (58% x % enrolment decline x prior year operating revenue) [58% x line 1 x line 2 of prior year]		3.48	3.77	4.21
5	Decline in operating revenue in excess of reduction in costs [line 3 - line 4]		1.20	1.30	1.04
6	Scaling factor (See table on page 57)		1.06250	1.10227	1.15000
7	First year of adjustment [product of lines 5 and 6]		1.28	1.43	1.20
8	Second year of adjustment [50% of line 7 of prior year]			0.64	0.72
9	Third year of adjustment [25% of line 7 of two years prior]				0.32
10	Total declining enrolment adjustment [Sum of lines 7, 8 and 9]		1.28	2.07	2.24

School Board Administration and Governance Grant

This grant provides funding for administration and governance costs, including the costs of operating board offices and central facilities. This category of funding provides for all board-based staff and expenditures, including supervisory officers and their secretarial support. Funding is provided for four components:

- Trustees,
- Directors and Supervisory Officers,
- Board Administration, and
- Multiple Municipalities.

For 2004–05, total funding of $473.4 million is projected for the School Board Administration and Governance Grant.

Trustees

This funding component, which is based on the number of trustees, supports trustee honoraria, expenses, meeting costs, and professional development (for example, conferences). The following amounts are provided:

$5,000	per trustee (including chair) for trustee honoraria
$5,000	per trustee (including chair) for travel and expense allowance, professional development, and other costs
$10,000	per board as additional honoraria for the chair and vice-chair
$5,000	per board for student representation for travel and expenses but not honoraria

Directors and Supervisory Officers

Funding is based on costs for one director per board, and a number of supervisory officers reflecting board enrolment. This component is intended to cover salaries and benefits of these staff. This component also recognizes the higher administrative costs borne by some boards, by using their Remote and Rural Allocation of the Geographic Circumstances Grant, the Demographic component of the Learning Opportunities Grant, and the New Pupil Places Allocation.

Directors and Supervisory Officers Component

	2004–05
Base amount	$452,325
Per-pupil amount for first 10,000 pupils	$12
Per-pupil amount for next 10,000 pupils	$17
Per-pupil amount for remaining pupils	$23
% Geographic Circumstances Grant (Remote and Rural Allocation)	2%
% Learning Opportunities Grant (Demographic component)	0.5%
% New Pupil Places Allocation	1%

Board Administration Costs

This component provides funding for the business and other administrative functions of a board and the costs of operating and maintaining board offices and facilities. As with the Director and Supervisory Officers component, the Board Administration component recognizes the higher costs of administration in some boards. This component covers expenses and support staff for the director and supervisory officers.

Dues to stakeholder organizations, including trustee associations, as well as support staff costs for trustees are also funded from the Board Administration component.

This component also provides funding for school councils.

Funding consists of:

Board Administration Component	2004–05
Base amount	$85,702
Per-pupil amount	$186
% Geographic Circumstances Grant (Remote and Rural Allocation)	11%
% Learning Opportunities Grant (Demographic component)	0.5%
% New Pupil Places Allocation	1%

Enrolment used for determining the grants are day school ADE of pupils of the board (JK to 12, excluding pupils 21 and over).

Multiple Municipalities Component

In 2003–04, a component was added to the allocation for board administration to recognize the additional costs of boards that are required to interact with a large number of municipalities and other local governing agencies. Boards incur administrative costs from dealing with municipalities concerning property taxes. They also are required to reach protocols and agreements with local agencies, such as police services and children's aid societies.

Additional funding is provided to boards with more than 30 municipalities in their jurisdiction.

The multiple municipalities amount is calculated as follows:

Allocation Per Municipality	
# of municipalities	**$ for each municipality**
Between 1 and 30	$0
Between 30 and 49	$500
Between 50 and 99	$750
From 100 to any number higher	$1,000

For example, a board with 60 municipalities in its jurisdiction would receive:

for municipalities 30 to 49:	(20 times $500):	$10,000
for municipalities 50 to 60:	(11 times $750):	$8,250
Total multiple municipalities amount:		$18,250

Pupil Accommodation Grant

The Pupil Accommodation Grant* has three major allocations:

- School Operations,
- School Renewal, and
- New Pupil Places.

For 2004–05, total funding of $2.53 billion** is projected for the Pupil Accommodation Grant.***

Funding enhancements for pupil accommodation in 2004–05 will be implemented within the framework of a Pupil Accommodation Review. These increases total $132.5 million in 2004–05, not including benchmark updates.

These investments address current accommodation pressures facing the education sector and set the stage for longer-term changes. For some enhancements, funding will be allocated following recommendations from the Pupil Accommodation Review.

Factors Used to Determine the Pupil Accommodation Grant

Enrolment

Elementary Enrolment

"Day School Average Daily Enrolment" of pupils enrolled in Junior Kindergarten, Kindergarten, and Grades 1 to 8.

Secondary Enrolment

"Day School Average Daily Enrolment" of pupils enrolled in Grades 9 through 12, excluding students 21 years of age and older.

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* Further details on this grant are available in the Ministry of Education publication *Pupil Accommodation* available from the Ministry's website, <http://www.edu.gov.on.ca>.

** These amounts are Ministry of Education projections for the 2004–05 school year. Actual funding will vary over the course of the school year based on board enrolment and board program decisions.

*** Includes Prior Capital Commitments.

Adult Enrolment

"Day School Average Daily Enrolment" of students 21 years of age or older plus the "Average Daily Enrolment" of students enrolled in Continuing Education credit courses during the day (excluding pupils enrolled in correspondence self-study programs, and including students in summer school programs)*.

Benchmarks

Area Requirements Per Pupil – Elementary: 100 square feet (9.29 m^2)

Provides sufficient teaching and ancillary space to permit the effective delivery of elementary school programming consistent with the average class size limits under the *Education Act* and provides additional space required to accommodate the typical distribution of special education, learning opportunities, and language (for example, ESL) programming.

Area Requirements Per Pupil – Secondary: 130 square feet (12.07 m^2)

Provides sufficient teaching and ancillary space to permit the effective delivery of secondary school programming consistent with the average class size limits under the *Education Act* and provides additional space required to accommodate the typical distribution of special education, learning opportunities, and language (for example, ESL) programming.

Area Requirements Per Pupil – Adult: 100 square feet (9.29 m^2)

Lower than the traditional secondary school panel because less additional space is required for special needs programs.

Operating Cost: The funding benchmark for the School Operations Allocation is $5.72 per square foot ($61.61/m^2).

Renewal Cost: weighted average of $0.65 and $0.98 per square foot ($7.03 and $10.54 per m^2) for schools under and over 20 years of age respectively.

Construction Cost – Elementary (2004): $11.22 per square foot ($120.77/m^2)

Represents the estimated cost of $119 per square foot ($1,284/m^2) to design, construct, furnish and equip new elementary schools, amortized over a 25 year period.

Construction Cost – Elementary (1998): $11.00 per square foot ($118.40/m^2)

Represents an estimated cost of $117 per square foot ($1,259/m^2) to design, construct, furnish and equip new elementary schools, amortized over a 25 year period.

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* For School Operations and School Renewal Allocations only.

Construction Cost – Secondary (2004): $12.24 per square foot ($131.75/m^2)

Represents the estimated cost of $129 per square foot ($1,383/m$^{2)}$ to design, construct, furnish, and equip new secondary schools, amortized over a 25 year period.

Construction Cost – Secondary (1998): $12.00 per square foot ($129.17/m^2)

Represents the estimated cost of $126 per square foot ($1,356/m$^{2)}$ to design, construct, furnish, and equip new secondary schools, amortized over a 25 year period.

Geographic Adjustment Factor

A Geographic Adjustment Factor is applied to the New Pupil Places Allocation in recognition of regional construction cost differences.

Supplementary Area Factor

An adjustment factor is applied in the calculation of the School Operations Allocation and the School Renewal Allocation. The Supplementary Area Factor recognizes unique design features of a board's schools, such as wide hallways, large shop spaces, auditorium space, and the additional space needs of special education programs.

The factor is based on information compiled in the School Facilities Inventory System. Separate factors that reflect the area per-pupil place are calculated for elementary and secondary schools.

Top-up Funding to Reflect a 20-Percent Adjustment to Capacity Levels

Additional funding is also provided for school operations and renewal for schools that are operating at less than full capacity. Top-up funding is calculated on a school-by-school basis for schools offering a regular day school program (exclusive of adult day school). This additional funding, which is not to exceed the revenue generated by enrolment equal to 20 percent of school capacity*, increases total revenue for school operations and renewal for a school up to the amount that would be generated if the school were operating at full capacity.

Schools identified as distant under the 2003–04 Rural Education Strategy will receive an amount equivalent to that received under the 2003–04 Distant School top-up funding in addition to the regular top-up entitlement.

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* except for Distant Schools

School Operations Allocation

The School Operations Allocation addresses the costs of operating (that is, heating, lighting, maintaining, and cleaning) schools.

In 2004–05, the benchmarks used to determine the School Operations Allocation have been increased by 5.2 percent.

Grant for School Operations = *Enrolment plus approved spaces in Sec.20 programs in schools* × *Benchmark Area Requirement per pupil* × *Supplementary School Area Factor* × *Benchmark Operating Cost per Sq. Ft.*

Plus
Top - Up Funding for School Operations *
Plus
Top - Up Funding in Respect of the Rural Education Strategy (fixed at 2003 – 04 levels
Plus
Allocation for Licensing & Related Fees for Approved Asset Management Software

* Top-up funding is available for schools that are offering a regular day school program (exclusive of adult day school) and that are operating at less than full capacity.

School Renewal Allocation

The School Renewal Allocation addresses the costs of repairing and renovating schools.

In 2004–05, the Benchmark Renewal Cost in the School Renewal Allocation has been increased by 2 percent.

One-time funding of $25 million will also be provided to school boards in 2004–05 to assist them to undertake energy retrofit projects.

Grant for School Renewal = *Enrolment* × *Benchmark Area Requirement per Pupil* × *Supplementary School Area Factor* × *Benchmark Renewal Cost per Sq. Ft.*

Plus

Top – Up Funding for School Renewal *

Plus

Enhancement to address deferred maintenance needs

(Allocated to reflect a board' s share of the total needs in the system)

Plus

Energy Retrofit Allocation (one – year allocation in 2004 – 05)

Plus

Top - up Funding in Respect of the Rural Education Strategy (fixed at 2003 – 04)

* Top-up funding is available for schools that are offering a regular day school program (exclusive of adult day school) and that are operating at less than full capacity.

New Pupil Places Allocation

The New Pupil Places Allocation generally enables boards to construct new schools or additions, where boards have demonstrated that they have fully utilized all existing school buildings effectively and that their enrolment cannot be accommodated without new space.

New Pupil Places – Persistent Enrolment Pressures

Boards that are not currently eligible for New Pupil Places funding may be eligible to receive funding to address significant and persistent enrolment pressures at specific schools.

A board whose total elementary enrolment is less than the total elementary school capacity will be eligible for funding in recognition of enrolment pressures if data reported in Appendix C of the Financial Statements (Top-Up Funding) indicates that:

- enrolment at any one of its elementary schools has exceeded the capacity of the school by at least 100 pupils in each of the past two years (that is, 2002–03 and 2003–04); **and**
- there is not sufficient surplus capacity at nearby schools (that is, within 8 kilometres by road) to accommodate the excess enrolment at the school.

For schools meeting these criteria, a number of pupil places equal to the average of the difference between enrolment and capacity at the school in 2002–03 and 2003–04 will be recognized for funding beginning in 2004–05 and will be added to the board's permanent capacity used in the calculation of the New Pupil Places Allocation in the current year, 2004–05. This approach will also be used for subsequent years. This level of funding will be provided for 25 years.

Similarly, a board whose total secondary enrolment is less than the total secondary school capacity will be eligible for funding in recognition of enrolment pressures if data reported in Appendix C of the Financial Statements (Top-Up Funding) indicates that:

- enrolment at any one of its secondary schools has exceeded the capacity of the school by at least 100 pupils in each of the past two years (that is, 2002–03 and 2003–04); **and**
- there is not sufficient surplus capacity at nearby schools (that is, within 32 kilometres by road) to accommodate the excess enrolment at the school.

For schools meeting these criteria, a number of pupil places equal to the average of the difference between enrolment and capacity at the school in 2002–03 and 2003–04 will be recognized for funding beginning in 2004–05 and will be added to the board's permanent capacity used in the calculation of New Pupil Places Allocation in the current year, (2004–05). This approach will be used for subsequent years. This level of funding will be provided for 25 years.

New Pupil Places – Capital Transition Pressures

Funding for new pupil places is also provided for boards that have no schools in specific parts of their jurisdictions.

Some boards have pupils in parts of their jurisdictions but no nearby schools. This results in parents having to choose between busing their children many kilometres to a distant school or sending their children to a nearby school of a different board.

Funding for new pupil places has been increased for boards in these circumstances. The number of new pupil places added is set out in Table 12 of the Grants for Student Needs – Legislative Grants for the 2004–05 for the School Board Fiscal Year regulation. These pupil places will be funded in the same manner as other allocations for new pupil places. This funding will be provided to the boards over a period of 25 years.

New Pupil Places – Use of Pupil Accommodation Reserve Fund for School Sites

Boards receiving funding to address persistent enrolment pressures at specific schools, boards receiving funding in recognition of facilities deemed prohibitive to repair, and boards receiving funding to address capital transitional pressures may use some of the funds in the Pupil Accommodation Reserve to purchase sites. In addition, a board that requires a school site needed to address accommodation pressures may use some of its Pupil Accommodation Reserves to fund the portion or the entire cost of acquiring the site

if this cost is **not** a growth-related net education land cost, within the meaning of Division E of Part IX of the *Education Act* regarding education development charges (EDCs).

Sites needed for pupil accommodation arising from new residential development may be acquired with the proceeds from the sale of surplus properties, savings from a board's operating budget, as part of long-term lease or partnership arrangements with municipalities or the private sector, or by imposing EDCs in accordance with Division E of Part IX of the *Education Act* and Ontario Regulation 20/98 as amended.

New Pupil Places – Changes to the Parameters Used in the Calculation of the New Pupil Places Allocation

Beginning in 2004–05, the benchmark construction costs used in the calculation of the New Pupil Places Allocation have been revised. A 2 percent increase in the construction cost benchmark has been incorporated into the calculation of the New Pupil Places Allocation.

This change applies only to eligible pupil places that had not been constructed by boards prior to October 2003. The construction cost benchmark figures used when the model was introduced in 1998 will continue to be applied to those pupil places constructed by boards prior to October 2003. Changes to construction costs since Fall 2003 will not impact board costs for schools already constructed.

New Pupil Places Allocation = *Enrolment in excess of Capacity* + *Pupil Places in respect of Enrolment Pressures* + *Pupil Places in respect of Capital Transitional Pressure* + *Pupil Places in respect of Prohibitive to Repair* − *Pupil Places Constructed Prior to October 2003*

The sum total of the 5 components

× *Benchmark Area Requirement per Pupil* × *Benchmark Construction Cost per Sq. Ft. (2004)* × *Geographic Adjustment Factor*

Plus

Pupil Places constructed prior to October 2003 × *Benchmark Area Requirement per Pupil* × *Benchmark Construction Cost per Sq. Ft. (1998)* × *Geographic Adjustment Factor*

Outstanding Capital Commitments

In January 1997, the Minister of Education and Training announced a $650 million capital program for the years 1997–98 and 1998–99. In 1999–2000, the outstanding capital commitments from this program were converted to pupil places so that the amount owed to boards could be paid in the same manner as the New Pupil Places Allocation. The Pupil Accommodation Grant provides boards with funding to meet the cost of financing the outstanding grant amount over a 25-year period.

Debt Charges

In 1998, the Ministry committed to provide funding in 1998–99, 1999–2000, and 2000–01 to cover the servicing costs of loans related to capital projects approved prior to May 15, 1998. This funding will continue.

On June 2, 2003, permanent financing for $891 million of the capital related debt that had not been permanently financed was arranged by the Ontario Financing Authority through the *55 School Board Trust*. Annual payments to service this debenture is being provided to a trust through blocked accounts held by each of the fifty-five boards.

Inter–Board Transfer of Schools

The Grants for Student Needs – Legislative Grants for the 2004–05 School Board Fiscal Year regulation includes provisions relating to schools transferred between boards, to make more effective use of existing school facilities. Provided that the prior approval of the Minister has been obtained, the capacity figure for a transferred school would be the lesser of ADE and the rated capacity of the facility. Transfers must meet the following criteria:

- the transfer is consistent with the boards' long-term accommodation plans;
- the transfer benefits students from both boards (for example, through improved facilities, reduced transportation needs, etc.);
- the transfer results in more effective use of existing public assets; and
- the transfer reduces the need for the boards to construct new school facilities in their jurisdictions.

This "floating" capacity, which will apply only for purposes of calculating the allocation for new pupil places, will remain in effect until such time as enrolment levels in the school reach the rated capacity level for the facility. After that time, the rated capacity for the facility will be used in the determination of the board's grants.

$20 Million Cap

To ensure an orderly transition as boards began to address the significant backlog of accommodation issues across the province, annual allocations for new pupil places for an individual board were limited to $20 million for an interim period. The education funding regulation includes provisions for the removal of this cap. The cap will be removed after a board has demonstrated that it has begun construction on projects costing at least $200 million since the introduction of the current funding model using the New School Facilities Report component of the accountability framework for the Pupil Accommodation Grant. If the $200 million target has been achieved prior to the start of a school year, the cap will be removed in that school year (for example, if the target is met prior to September 1, 2004, the cap will be removed for the 2004–05 school year).

The amount that was withheld from boards affected by the $20 million cap will be paid over a 25-year period beginning in the school year in which the cap is removed.

The costs per pupil are generally higher for these very small school boards, usually located in remote areas of Ontario (called "isolate boards") or in some children's hospitals. The School Authorities Allocation ensures that funding is available for these small boards. This allocation is authorized through education funding regulations, but funding levels for these small boards are not determined by the Foundation Grant and the special purpose grants of the regulation. Instead, funding levels are approved by the Ministry.

The funding for school authorities is based on the funding guideline that has been modified to address the unique costs of operating very small schools in remote areas and in institutions. School authorities' allocations are based on education funding formulas, to the extent possible, with provisions for special approval by the Ministry of Education.

Enrolment

Under the school year reporting that covers the period from September to August, the calculation of average daily enrolment (ADE) is based on the existing two count dates within the school year – October 31 and March 31. The full-time equivalent of students enrolled in a board's schools are weighted at 0.5 for each of the count dates.

Junior Kindergarten (JK) and Senior Kindergarten (SK) pupils are counted as half-time students in the determination of ADE for 2004–05, with the exception of combined Kindergarten programs. The ADE regulation allows combined JK and SK programs, where JK students can be counted as enrolled for 600 minutes per week and SK students as enrolled for 900 minutes per week (with the exception of calculations for the Early Learning Grant).

ADE for continuing education programs and summer school is calculated using the same parameters as in 2003–04. The regulation indicates that students who have been enrolled in private schools in the previous school year are eligible to be enrolled in summer school programs of a publicly funded board as permitted by the regulation. This clarification applies for summer programs in 2002 (part of the 2003–04 school year), and in 2004–05 and future years.

The 2004–05 regulations have been amended to allow the Ministry to adjust the ADE of pupils enrolled in programs offered in year-round schools so that the hours of instruction properly reflect a full-time credit load for full-time hours of instruction.

Fees

Boards are required to continue charging tuition fees in respect of nonresident visa students, Aboriginal students, and students from out of province.

Boards are able to determine the fees that they will charge in respect of visa students for regular day school programs, continuing education, and summer school programs.

The provisions for fees in respect of pupils whose parents or guardians reside on tax exempt land has been maintained at $40 per month per family.

The funding regulations have been amended for both the 2003–04 and 2004–05 school years to provide revenue to school boards for the payment of fees when a board and First Nation band council or education authority have negotiated a so-called "reverse" tuition agreement, under which elementary pupils of the board attend an elementary school operated by a First Nations band council or education authority.

Reporting and Accountability

With the release of the grant regulation in Spring 2003, the Ministry has established the following dates for submission of financial reports in 2004–05.

June 30, 2004	Board Estimates for 2004–05
November 30, 2004	Board Financial Statements for 2003–04
December 15, 2004	Board Revised Estimates for 2004–05

Education funding is an important component of the government's overall commitment to accountability. The Ministry continues to promote accountability by ensuring that grant claims by school boards are in accordance with the grant regulations and that school boards are in compliance with provincial standards and legislation on class size, instructional time, funding envelopes, and deficit management.

In support of these objectives, the Ministry has undertaken a comprehensive audit plan focusing on four main areas: enrolment, class size, English as a second language, and teacher qualifications and experience. Over 60 schools and approximately 25 boards are visited each year on a sample basis.

Some of the measures that the Ministry has taken to ensure compliance include:

- Withholding grants when a board is not in compliance on class size;
- Requiring boards to prepare and submit deficit management plans where necessary; and
- Directing boards to take measures to become compliant.

For more information on financial accountability for school boards, please refer to the Ministry's website at <www.edu.gov.on.ca>.

Enveloping and Flexibility

Education funding is not intended to specify every expenditure that boards make. It is up to boards, as it has always been, to determine their detailed budget commitments within the terms of the *Education Act* and other relevant regulations and memoranda.

School boards continue to be responsible for setting their budgets. Education funding recognizes that school boards need flexibility to decide how best to allocate resources within those budgets. At the same time, there are restrictions on how school boards may use certain components of their allocation. Limitations, as detailed below, are applied to: the transfer between classroom and nonclassroom funding, special education, new pupil places and school renewal, school board administration and governance, and the funding for distant schools, allocated through the Rural Education Strategy.

In 2004–05, school boards again have flexibility to use some revenue to address their local priorities. The enveloping requirements allow boards to use an amount of funding equivalent to the Local Priorities Amount and the Declining Enrolment Adjustment.

School boards continue to be accountable for how they use all the revenue that they receive from education funding grants, including the revenue that they can use flexibly. They will continue to report, as in past years, how they have used all their funding, and the extent to which this funding has been used for special education, classroom expenditures, new pupil places and school renewal, administration and governance, and distant schools.

Flexibility in 2004–05

The method of determining a board's total classroom expenditure allocation will be maintained in 2004–05.

In 2004–05, education funding will identify an amount for each board, called a flexibility fund, that boards can use without restriction. This flexibility fund allows each board to choose which priorities it will address with this funding.

A board's flexibility fund includes the greater of:

- the total amount of the board's Local Priorities Amount, and the entire amount of a board's Declining Enrolment Adjustment,

OR

- the board's total flexibility fund from 2003–04.

Funds may not be moved from the classroom to the nonclassroom category.

School boards are expected to place a priority on students and teachers in the classroom, and to find efficiencies in nonclassroom areas. To support this objective, funds may be moved from nonclassroom expenditure categories into classroom expenditure categories, but may not be moved from classroom spending to nonclassroom spending.

To ensure compliance with this rule, the Ministry requires school boards to use a uniform code of accounts for their expenditures that categorizes expenditures as classroom and nonclassroom expenditures. Expenditure categories for operating funding are divided as shown in this table:

Classroom expenditures	Nonclassroom expenditures
Classroom teachers	Preparation time
Supply teachers	Principals and vice-principals
Teacher assistants	Department heads
Textbooks and classroom supplies	Continuing education and other programs
Classroom computers	Transportation
Professionals and para-professionals	Board administration and governance
Library and guidance	School operations
Staff development	

There is no provincial requirement for boards to align their spending to the individual components ***within*** the classroom and nonclassroom categories (except as noted in the limitations described below concerning administration and governance expenditures). It is the responsibility of the board to make the most effective allocation of funds among the classroom and nonclassroom categories, according to local needs.

School boards account for all their operating expenditures under these categories in order to report to the Ministry concerning the total amount of their spending in the classroom.

Determining the classroom allocation

The enveloping provisions of education funding allocate a specific amount of funding to the classroom for each board. Boards must show that they have spent an amount in classroom categories that is equal to, or greater than, this total allocation. Where a board does not spend its total 2004–05 classroom allocation in the classroom, the board must place funding to cover the shortfall in a reserve fund for classroom expenditures.

Education funding creates each board's total allocation for classroom expenditures by attributing part of the Foundation Grant and part of several special purpose grants to classroom spending. Table 17 of the Grants for Student Needs – Legislative Grants for the 2004-2005 School Board Fiscal Year regulation sets out a percentage of each allocation that is attributed to classroom spending.

For example, 80 percent of a board's Foundation Grant for elementary students, 75 percent of its Remote and Rural Allocation for the elementary panel, and 78 percent of its Learning Opportunities Grant for the elementary panel are attributed to the classroom expenditure allocation. Most special purpose grants have a specified percentage of funding attributed to the classroom for the elementary and secondary panels. The Continuing Education and Other Programs Grant, the Transportation Grant, and the Board Administration and Governance Grant are attributed entirely to nonclassroom expenditures.

Each board's total classroom expenditure allocation is the total of the amounts determined by multiplying its Foundation Grant and each special purpose grant by the percentages set out by the regulation. Because each board has a different proportional share of the special purpose grants, each board's total classroom expenditure allocation, as a proportion of its total operating funding, is slightly different.

Compliance in 2004–05

As in past years, school boards will continue to account for all their operating expenditures under the classroom and nonclassroom expenditure categories, in order to report to the Ministry concerning the total amount of their spending in the classroom.

As in past years, education funding allocates a specific amount of classroom funding for each board. In 2004–05, this formula-derived classroom allocation excludes the total amount of the flexibility fund (as defined above). Boards must show that they have spent an amount in classroom categories that is equal to (or greater than) the sum of the classroom allocation plus the amount (if any) of the flexibility fund that they have spent in the classroom. Where a board does not spend the amount of its total 2004–05 classroom expenditure allocation in the classroom, the board must place funding to cover the shortfall in a reserve fund for classroom expenditures.

The special education envelope establishes the minimum that each board must spend on special education.

The Special Education Grant is enveloped and protected. The Ministry specifies types of spending for which the grant may be used and the list of allowed costs. Boards are free to spend more on special education programs and supports. Boards must spend the entire amount of the special education expenditure envelope, as determined by the enveloping provisions of the regulation, for the additional costs of special education programs and supports (that is, the costs above the regular costs of pupils' education supported by the Foundation Grant and the other special purpose grants). Any underspending of the special education expenditure envelope must be placed in a special education reserve fund.

The provision for flexibility in 2003–04 and 2004–05 does not affect the enveloping provisions for special education funding. Boards must continue to use this funding for special education, or place unspent funds in a reserve.

The allocations for new pupil places and for school renewal establish the minimum that each board must spend on these components.

This restriction is intended to ensure that boards dedicate the resources provided for major repairs and new pupil places for the creation and renewal of safe and functional schools where students can learn.

Boards have significant flexibility on how this is done – whether through major renovation, replacement, leasing, additions, or other partnership agreements. Unspent funds in any particular year from these two allocations must be placed in a reserve. This reserve may be used in future as funding is needed to ensure the physical integrity and safety of school buildings.

The provision for flexibility in 2004–05 does not affect the enveloping provisions for new pupil places and school renewal. Boards must continue to use this funding for these purposes, or place unspent funds in a reserve.

The grant for school board administration and governance establishes the maximum that each board may spend on these functions.

Boards are free to move funds within the four components of the allocation for board administration and governance as long as they comply with the levels established on trustee compensation under the *Education Act*.

As a result of their flexibility in 2004–05, boards may allocate part or all of the amount of their flexibility fund to expenditures on administration or governance.

The funding provided by the Rural Education Strategy must be used for the purposes intended.

School boards that receive funding through the Rural Education Strategy are required to spend the money on supports for the small rural and distant schools that generate the funding. These supports include: additional teachers, increased adult presence (principals, vice-principals, secretaries, other teachers with administrative duties), learning resources, and the operational costs of distant schools.

Specifically, the Distant Schools Allocation and the increased top-up funding for school operations must be spent for the purposes for which it was intended. Any underspending in a board's allocation must be placed in the board's distant schools reserve fund.

Provincial Transfers for 2004–05

The provincial share of education funding for 2004–05 is calculated by deducting each board's revenue from property taxes for 2004–05 from the total funding allocation determined by the education funding formulas. Tax revenue is based on 38 percent of 2004 property taxes and 62 percent of 2005 property taxes, plus 2004 supplementary taxes less 2004 tax write-offs.

Where there is a strike, lockout, or withdrawal of services during the 2004–05 school year, the grants will be adjusted by the net savings resulting from the strike or withdrawal of services.

For boards that include territory without municipal organization, the Ministry will permit these boards to deduct actual costs for trustee elections from property tax revenue. Boards will have the flexibility to enter partnerships with other boards or adjacent municipalities to run elections efficiently.

For 2004–05, costs for tax collections by boards that include territories without municipal organization will be provided as follows: a base amount of $50,000 plus 2 percent of taxes levied in unorganized areas. The above will only be applicable to the tax collecting board in each unorganized area.

Technological Education

The May 2004 Budget announced that, to support the development of a comprehensive "Learning to 18" strategy, the Province will provide funding of $20 million for the Technological Education Renewal Initiative (TERI) in 2004–05 to acquire, repair, and update equipment for secondary school technological education programs. In 2003–04, $8 million in TERI funding was allocated to boards outside the education funding grants. More information about the allocation criteria and accountability framework will be provided by the Ministry prior to the 2004–05 school year.

Appendix A – Distant Schools Allocation

Education funding provides financial assistance through the Distant Schools Allocation to offset the higher per-pupil cost of programs in small rural and northern schools.

Definition of "distant schools"

The funding approach for the Rural Education Strategy identifies eligible elementary and secondary schools for each board, based on the criterion of distance from other schools in the same panel of the board.

To be eligible, a school must be identified as an elementary or secondary school in the Ministry's School Facilities Inventory Database where pupils were enrolled in a day school program in 2003–04.

For *English-language schools*:

A "distant elementary school" is an elementary school that is located at least eight kilometres by road from every other elementary school of the board.

A "distant secondary school" is a secondary school that is located at least 32 kilometres by road from every other secondary school of the board **or** a secondary school that is the only secondary school operated by the board.

For *French-language schools*:

A "distant elementary school" is an elementary school that is located at least eight kilometres by road from every other elementary school of the board within the jurisdictional boundary of a coterminous English-language board **or** is the only elementary school operated by the board within the jurisdictional boundary of a coterminous English-language board

A "distant secondary school" is a secondary school that is located at least 32 kilometres by road from every other secondary school of the board within the jurisdictional boundary of a coterminous English-language board **or** is the only secondary school operated by the board within the jurisdictional boundary of a coterminous English-language board.

Distance is measured to the nearest 0.1 kilometre.

Distance Factor

The closer schools are, the more flexibility school boards have to use resources and staff effectively and efficiently through sharing or consolidation. As distance increases, this flexibility decreases. The calculations of some components of both the Distant Schools Allocation and the Distant School Top-up Amounts therefore include a Distance Factor. This Distance Factor adjusts funding so that schools that are at a relatively greater distance from other schools generate a higher level of resources.

Distance Factor – Eligible elementary schools

Where the distance to the nearest elementary school of the board is 32 kilometres or more, the Distance Factor is 1.0. If there is only one French-language elementary school within a particular coterminous boundary, the Distance Factor for that school is deemed to be 1.0.

Where the distance to the nearest elementary school of the board is at least 8 kilometres but less than 32 kilometres, the Distance Factor is a sliding scale between 0.2 and 1.0, calculated to four decimal places using the formula:

$$\frac{\left(\frac{32}{A}\right) \times \left(\frac{(A - 8)}{24}\right) + 0.25}{1.25}$$

Where A is the distance in kilometres by road to the nearest elementary school of the board.

The following table provides examples of the Distance Factors for distant elementary schools:

Distance to nearest elementary school of the board	Distance Factor (to four decimal places)
8.3 km	0.2386
10.2 km	0.4301
15.8 km	0.7266
23.7 km	0.9066
29.6 km	0.9784

Distance Factor – Eligible secondary schools

Where the distance to the nearest secondary school of the board is 80 kilometres or more, or where the board operates only one secondary school, the Distance Factor is 1.0. If there is only one French-language secondary school within a particular coterminous boundary, the Distance Factor for that school is deemed to be 1.0.

Where the distance to the nearest secondary school of the board is at least 32 kilometres but less than 80 kilometres, the Distance Factor is a sliding scale between 0.2 and 1.0, calculated to four decimal places using the formula:

$$\frac{\left(\frac{80}{A}\right) \times \left(\frac{(A - 32)}{48}\right) + 0.25}{1.25}$$

Where A is the distance in kilometres by road to the nearest secondary school of the board.

The following table provides examples of the Distance Factors for distant secondary schools:

Distance to nearest secondary school of the board	Distance Factor (to four decimal places)
33.5 km	0.2597
45.8 km	0.6017
56.6 km	0.7795
67.4 km	0.9003
78.9 km	0.9926

Determining the "nearest school"

In some circumstances, school boards have the option of designating a school other than the closest school as the "nearest school". This includes circumstances where schools are not organized in a typical manner – for example, where there are two school buildings on one site or where a school runs an alternative program in a different location near the regular school.

To address these situations, some school facilities are excluded from determining the "nearest school" and from all Rural Education Strategy funding calculations. Other school facilities may be combined and treated as a single school for the purposes of Rural Education Strategy funding.

Rules for determining "nearest school"

In calculating their RES allocations, all school boards should:

1. Exclude all schools with zero enrolment in 2003–04.
2. Exclude all Adult Education, Alternative Learning and Special Education schools.

These schools are identified by the school type codes – "AE", "AL", or "SE" – that the Ministry preloads on the School October and March Reports. It should be noted that a secondary school that offers a vocational program is not considered as an alternative learning school.

3. Combine schools in the same panel that are on the same site.

Boards may treat schools on the same site as a single school entity if the schools are within the same panel. "Same-site" means one continuous lot or property owned by the board.

4. Combine "discontinuous grade" schools in the same panel.

"Discontinuous grade" schools are schools that offer partial grades within a panel but with no overlapping grades. For example, a JK to Grade 3 school could be combined with a Grade 4 to 6 school and a Grade 7 to 8 school but not a JK to Grade 5 school. Boards may combine schools on the basis of discontinuous grades only when the schools are the closest schools to each other. A maximum of three schools may be combined.

Apply rules in sequence

In deciding what to designate as the "nearest school" in individual cases, boards should follow the above rules in sequence. That is, first determine which schools are excluded from the Rural Education Strategy calculations, whether because of zero enrolment or school type. Second, decide which schools may be combined because they are on the same site. Third, decide which schools may be combined because they offer discontinuous grades within the same panel.

Boards are not required to combine same-site or discontinuous grade schools – although it is anticipated that, when schools meet the conditions described in the rules, it will usually be to a board's advantage to do so.

Calculating distance and funding when schools are combined

When two or more schools are combined as a single school, the school with the largest Average Daily Enrolment is designated as the "parent school" for the group. All schools within the group are deemed to be at the same location as the "parent school" for the purposes of calculating distance.

The combined schools will be treated as a single school when calculating:

1. The Distant Schools Allocation, including the Investment in Principals component of the Distant Schools Allocation;
2. Enhanced Top-up Funding amounts for School Operations and School Renewal; and
3. The School Dispersion Amount in the Remote and Rural Allocation of the Geographic Circumstances Grant for 2004–05. This calculation is done by the Ministry and set out in Table 4 of the 2004–05 Grant Regulations.

Distant Schools Allocation – Elementary

The total Distant Schools Allocation – Elementary for a school board is the sum of five components:

1. Per-Pupil component, determined for each of the board's distant elementary schools;
2. Fixed-School component, determined for each of the board's distant elementary schools;
3. Learning Resources component, determined for each of the board's distant elementary schools;
4. In-School Administration component, determined for each of the board's distant elementary schools; and
5. Principals component, determined by the board's elementary enrolment..

Detailed Calculation of Distant Schools Allocation – Elementary

Per-Pupil component

The per-pupil amount for a distant elementary school is $97.50 per pupil, using 2003–04 ADE of the school. This component is not scaled for distance.

Fixed-School component

The fixed-school amount for a distant elementary school is $3,000. This component is not scaled for distance.

Learning Resources component

Distant School Size (2003–04 ADE)	Calculation (using 2003–04 ADE)*
less than 50	[$53,769.98 + ($6,798.50 x ADE)] x Distance Factor minus (ADE x $2,719)
50 to less than 100	$393,695.12 x Distance Factor minus (ADE x $2,719)
100 to less than 1,000	[$131,905.12 + ($2,617.90 x ADE)] x Distance Factor minus (ADE x $2,719)
1,000 or greater	($2,749.81 x ADE) x Distance Factor minus (ADE x $2,719)

* For the Learning Resources and In-School Administration components (both Elementary and Secondary), if the calculation results in an amount less than zero, the amount is deemed to be zero.

In-School Administration component

Distant School Size (2003–04 ADE)	Calculation (using 2003–04 ADE)
less than 200	[$64,534.95 + ($158.21 x ADE)] x Distance Factor minus (ADE x $389)
200 to less than 550	[$19,010.20 + ($126.73 x ADE)] x Distance Factor minus (ADE x $130)
550 to less than 1,000	[$37,969.40 + ($92.26 x ADE)] x Distance Factor minus (ADE x $130)
1,000 or greater	0

Principals component

Funding under this allocation is available for principals where the average ratio of principals to schools at the elementary and secondary level is below a minimum threshold.

The Principals component has been updated by the relevant benchmarks increases for 2004–05. The Principals component is calculated using Average Daily Enrolment for the 2004–05 school year.

Principal allocation at the elementary level

$$\left(0.69 - \frac{\text{Elem.ADE} \times \$264.18}{\$85{,}808 \times 1.12 \times \frac{\text{Number of}}{\text{Elem.schools}}}\right) \times \$85{,}808 \times 1.12 \times \text{Number of Elem. schools}$$

Distant Schools Allocation – Secondary

The total Distant Schools Allocation – Secondary for a school board is the sum of five components:

1. Per-Pupil component, determined for each of the board's eligible secondary schools;
2. Fixed-School component, determined for each of the board's eligible secondary schools;
3. Learning Resources component, determined for each of the board's eligible secondary schools;

4. In-School Administration component, determined for each of the board's eligible secondary schools; and
5. Principals component, determined by the board's secondary enrolment.

Detailed Calculation of Distant Schools Allocation – Secondary

Per-Pupil component

The per-pupil amount for a distant secondary school is $97.50 per pupil, using 2003–04 ADE of the school. This component is not scaled for distance.

Fixed-school component

The fixed-school amount for a distant secondary school is $4,000. This component is not scaled for distance.

Learning resources component

Distant School Size (2003–04 ADE)	Calculation (using 2003–04 ADE)
less than 50	[$46,044.41 + ($14,524.07 x ADE)] x Distance Factor minus (ADE x $3,194)
50 to less than 100	$772,248.12 x Distance Factor minus (ADE x $3,194)
100 to less than 1,000	[$499,757.12 + ($2,724.91 x ADE)] x Distance Factor minus (ADE x $3,194)
1,000 or greater	($3,224.67 x ADE) x Distance Factor minus (ADE x $3,194)

In-School Administration component

Distant School Size (2003–04 ADE)	Calculation (using 2003–04 ADE)
less than 200	[$92,445.75 + ($561.89 x ADE)] x Distance Factor minus (ADE x $448)
200 to less than 550	[$168,821.60 + ($180.01 x ADE)] x Distance Factor minus (ADE x $448)
550 to less than 1,000	[$47,224.64 + ($152.01 x ADE)] x Distance Factor minus (ADE x $199)
1,000 or greater	0

Principals component

Funding under this allocation is available for principals where the average ratio of principals to schools at the elementary and secondary level is below a minimum threshold.

The Principals component has been updated by the relevant benchmarks increases for 2004–05. The Principals component is calculated using Average Daily Enrolment for the 2004–05 school year.

Principal allocation at the secondary level

$$\left(0.40 - \frac{\text{Sec. ADE} \times \$115.26}{\$93{,}580 \times 1.12 \times \dfrac{\text{Number of}}{\text{Sec. schools}}}\right) \times \$93{,}580 \times 1.12 \times \frac{\text{Number of}}{\text{Sec. schools}}$$

Enveloping, Reporting and Accountability

Funding from the Rural Education Strategy must be spent on supports for the eligible distant schools of each board. For both 2003–04 and 2004–05, school boards are required to report the total level of these additional expenditures on eligible schools.

Specifically, funding from the new Distant Schools Allocation and the increased top-up funding for school operations must be spent for the purposes intended:

- To ensure sufficient teaching staff to provide quality curriculum.
- To provide for full-time adult presence.
- To acquire learning resources and materials.
- To meet the operational costs of distant schools.

If total spending for these additional supports among all eligible schools is less than the new allocation for distant schools and the increased funding for school operations, boards will be required to place the difference in a distant schools reserve fund.

For 2003–04 and 2004–05, school boards are also required to publish a report for parents and taxpayers that explains how funding from the Rural Education Strategy has been used to improve supports for the schools that meet the eligibility criteria of the new funding. Boards have the flexibility to determine the format for their rural education strategy report; however, at a minimum, the report must provide:

1. an estimate of the board's total distant schools allocation (exclusive of the principals component) and the enhanced top-up for school operations;

2. an explanation of how the board plans to apply these funds to provide supports for distant schools; and

3. an explanation of how these supports will address the educational needs of the pupils in the distant schools.

The reports for 2003–04 and 2004–05 must be published by June 30 of the respective school years. The reports must be published in the local press and on the board's website, be distributed to all school councils, and provided to the local district office of the Ministry of Education.

Appendix B – Abbreviations

ADE	Average Daily Enrolment
ALF	Actualisation linguistique en français
CSD	Census Sub-Division(s)
DEA	Declining Enrolment Adjustment
EETF	Education Equality Task Force
ESD	English Skills Development
ESL	English as a Second Language
FFL	French as a First Language
FSL	French as a Second Language
FTE	Full-Time Equivalent
GIS	Geographic Information System
ISA	Intensive Support Amount
JK	Junior Kindergarten
LICO	Low Income Cut Off
LOG	Learning Opportunities Grant
NL	Native Language(s)
PDF	Pefectionnement du français
PLAR	Prior Learning Assessment and Recognition
SEPPA	Special Education Per-Pupil Amount
SIP	Special Incidence Portion
SK	Senior Kindergarten
TERI	Technological Education Renewal Initiative

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